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# East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2347



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# EAST EUROPE REPORT

## ECONOMIC AND INDUSTRIAL AFFAIRS

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SITUATION, PROBLEMS OF CEMA EXAMINED

Budapest MAGYAR HIRLAP in Hungarian 22 Oct 82 p 7

[Article by Laszlo Kovari, main department head at OTH (National Planning Office): "A Picture of CEMA's Situation"]

[Text] New System of Requirements for Cooperation--The benefit of Consultation

One of the characteristics of socialist economic integration is that it is a voluntary association of independent and sovereign states; thus CEMA--in contrast with Western European integration--does not represent supernationality. The fundamental motivating factors for participation in the economic association are joined by the characteristics of each country as they build socialism. But these characteristics represent differences only in method; the main goals and principles are not affected at the level of either the association or the individual countries. Each of the political, economic and social components that establish the community of interest have the same importance from the viewpoint of further developing the cooperation. Therefore it is important that these factors grow in proportion, in dialectic unity and in accordance with the actual stage of building socialism. Harmonic and proportional growth refers not only to the association but also to its components, the member countries.

There Is a Need for Renewal

Nowadays one runs into the statement more and more frequently that the socialist economic cooperation is struggling with problems. Thus it is necessary to examine the nature of these problems and to point out the possible methods for resolving these problems.

As a starting point we can establish--as life proves every day--that two of the three elements that motivate the community of interests in the integration--the political-ideological one and the social one--continue to be stable and are progressive together with requirements of this time. At the same time the economic factor needs renewal. The successful cooperation that is more than three decades old now and the resulting growth of the countries demonstrating historic achievement, have arrived when extensive

growth must be replaced by intensive growth. The resources of extensive growth have been exhausted everywhere; it was not possible to maintain the earlier, dynamic growth either from the manpower or from the investment side.

Significant increase of labor's productivity, and thorough improvement of the utilization of the existing tools, became basic questions. This economic necessity, appearing more or less simultaneously in the European CEMA countries, has an effect on cooperation and makes it unavoidable to enrich the broad storehouse of the means of cooperation with new, high-quality elements. The changes could perhaps be best illustrated by the fact that when CEMA was formed the principle of mutual assistance prevailed, which in many cases--considering the situation after World War II--essentially meant contributions by the Soviet Union to the other countries to get on their feet and progress. In our association today, in the era of increased productive forces, assistance must not play the main role but economically reasonable cooperation conducted on the basis of principles and related to each other's domestic, and more moderate, growth paths--also understanding each other's problems. The association continues, since our continued growth is in our own interest; at the same time the growth of our CEMA partners is also in our interest, since the dynamic economic environment makes our growth possible and also has an effect on the continued growth of the individual member countries. We must take additional steps to solve the problems due to growth; at the same time we must also consider changes in world politics and in the world's economic environment.

At the same time, due to today's more tense situation, the significance of those tasks related to the future of cooperation of the CEMA countries is increasing. In first place we could mention the common problem that in some areas the actual conditions for technological renewal are not available within CEMA. Balanced energy and raw material supply requires ownership and operation of more and more modern tools, and not just in production. Rational utilization and strengthening of the competitive and efficiently operating processing industry urge rapid solution of this problem.

The worldwide changes in value ratios has not left the CEMA countries untouched either, and not only through our economic relationships with the capitalist countries. The change in exchange ratios in the economic relationships within CEMA has unfavorably affected the energy and raw material importing countries. Five years of creeping abrasion still conveyed the changes in world market prices--though to a less sharp extent--and in the last 10 years the energy and raw material prices increased ninefold within the association. The accounting balances were showing increasing deficits for the importing countries; partly the efforts aimed at creating increased sales of goods, partly the credit extended by the suppliers became the methods for balancing. Energy and raw material supplies are increasingly difficult to obtain from the source. The European locations of the primary supplier--the Soviet Union--were gradually exhausted and production was increasingly shifted to the more distant Siberian locations. This resulted in increased production costs. Laying down foundations for long-range reliability of the energy and raw material supply may be the second main goal, which we must now in the new stage organize jointly. During this stage we

must also be careful to give preference to price conditions that are economically justified and filter out the political and monopolistic effects seen on the world market.

### We Are Interested

The mechanism of cooperation is one of the problems awaiting review. We have made big steps forward in implementing the goals specified in the complex program and in solving the tasks resulting from this. At the same time in the second half of the last decade the world economy's crisis phenomena became noticeable, as did the extensive economic growth problems in the CEMA countries. This increasingly emphasized in the cooperation the solving of short-range problems, the daily problems measured on the economic scale. The national economic policies endeavoring to resolve contradictions over the short range did not favor proportional implementation of the longer-range goals defined in the complex program to develop the cooperative mechanism. Thus, we must make efforts to strengthen the longer-range time horizon in modernizing the cooperative mechanism that unites the national directive systems. We must encourage this even more so because the motivating factor that lends new impetus to the intensity of cooperation can only be a reinforcement to the element of interest. The experience of the last decade is that the excessive national character of the industrial development policy, which often fails to consider the opportunities hidden in the international division of labor, has been strengthened and this has been expressed in the end-product mentality. In essence this same characteristic can be found in the license policy. All this inevitably led to the obsolescence of some products and to the conservation of obsolete products. We cannot allow this [luxury] in an age of constantly diminishing resources; a justified desire is insufficient to avoid this. Rather we must develop a system of conditions that will shepherd our activity into the desired channel.

We are thoroughly interested in laying the foundations of a new stage of cooperation and in solving the problems that life presents us. It is a well-known that the Hungarian national economy sorely needs the international division of labor. We do about two-thirds of our total foreign trade with CEMA countries; this will remain a definitive factor. The fact that 95 to 97 percent of the total energy source import comes from these countries and at the same time about 80 percent of Hungary's total machinery and equipment export goes to this region, is a good illustration that the economic ties developed with the socialist countries are a firm foundation for the growth of our national economy--in spite of the unfavorable changes resulting from the actual circumstances.

One of the characteristics of our economic association is that the Soviet Union occupies a central, definitive position in the integration--corresponding to its role in world economy. Thus it is no accident that Hungarian-Soviet foreign trade accounts for one-half of our trade with CEMA countries. We can state without exaggeration that of all the results from cooperation with CEMA countries, the Hungarian-Soviet relationship has a definitive share; the strategic tasks of increasing the Hungarian-Soviet economic links essentially coincide with the strategic efforts of our foreign trade. These

are aimed at ensuring smooth energy and raw material supplies for our national economy, shaping the structure of our export in harmony with our domestic structural policy goals, moderating the rate of the exchange ratio's deterioration with our foreign trade policy as well as our opportunities permit and satisfying our needs for machinery, equipment, subassembly units and spare parts that promote efficient production. All these must accomplish an intensification of our national economy. Our strategic efforts make us interested in our cooperation expanding as dynamically as possible--with exactly the right content that corresponds to our goals. It is expeditious for us to seek out the points where we can contribute to solving the domestic tasks of the Soviet national economy on a high technological level and in a way that can fit into our structure. Approaching the growth of cooperation from the standpoint of both parties can allow increasing the intensity of the economic relationships.

#### To Make a Good Connection

The manifold results of cooperation conducted with CEMA countries--and within this, with the Soviet Union--are visibly great but our future tasks are perhaps even more significant; we must solve them in a much more complicated international and world economic situation. Taking all this into consideration we feel that the idea presented at the SZKP's [Soviet Union's Communist Party] 27th congress is useful and expeditious, according to which the highest ranking leaders of the CEMA member countries would in a joint conference draw a balance of the work done so far and would specify the main directions of cooperation in the new stage. While doing this, in addition to the political incentive for integration, the highly important economic boosters must also be implemented in the interest of building a solid foundation for future economic growth. This is a dual task: on the one hand we must strive to enable the national economies to implement their social goals fully by changing to the intensive stage and on the other hand to increase the strength and respect of CEMA countries in the world economy.

Raising the technical-technological level has a top priority among our tasks. This has always been an effort on our daily agenda in our cooperative efforts but now we must implement thorough changes in this area. "Peak technology" is needed for catching up and for structural rejuvenation because only that can ensure the opportunities of quality work and growth for the association's countries. We have already taken appropriate steps in the interest of this, in CEMA's 1981 session in Sofia we signed a multilateral agreement for joint development of electronics that will define the industry of the future. Our countries have adapted national development programs to establish micro-electronics; now our task is to interconnect these well and quickly. It is imperative in this area for information and technology to flow adequately and on time between the countries. On the other hand we must also provide a solution for contributing the investments needed for research and development and for profitable mass production among the countries in proportion to their abilities to bear the load, and for production specialization to fit best with the industrial structures of the individual countries.

A task of no lesser importance for us is to increase the reliability of the energy sources and raw material supplies needed to operate the national



economies. Of course, one aspect of this is that the cost of importing may increase as the resources are reorganized. Even for this reason alone, rational utilization and higher yields must by all means be implemented and the technical-technological revamping of the economy is a precondition for this.

Providing an even more complete spectrum of food supplies and durable consumer goods for the populations of these countries has a priority among the tasks. In the past the association did not exploit the opportunities in improving food production; beyond the supply problems, moral-historical and economic consequences can also be drawn from this--looking forward responsibly over the longer range requires us to find a final solution for this problem.

We must keep in sight that a motivating factor for implementing these efforts that cannot be ignored is creating modern and plentiful export potential with as little expenditure as possible. After major developments the world's economy as well as the association's countries are characterized by more modest investments and consumption. Therefore the need to increase exports represents great efforts in two directions. Significant export must be produced without large increases in domestic national investments; this is a new and real requirement for efficiency. On the other hand we are facing a capitalist market that today--and certainly for some years to come--practically wants only to sell. But this also means that there will not be enough growth in the export merchandise base; its quality and value are almost more important. These tasks are now aimed at reestablishing the disturbed financial equilibrium. But this requirement must not be recognized only as a need because plentiful export and good selection are also incentives for a healthy transforming and functioning economy.

#### With Joint Effort

In this approach this task must be a long-range strategy; we must not be satisfied with the temporary profit of short-range tactics. Implementation of the common goals also requires new and modern means. Cooperation and joint planning presume that we consult with each other from time to time about our economic policy ideas. Consultations on the economic policy may help us make the foresight of our joint activity more stable and may improve the view of the economic operating area. We must also create the conditions for interconnecting in a progressive way the different directive systems that developed from entering the new, qualitative stage at somewhat different times, by means of a cooperative mechanism that considers the interests of every participant. This mechanism must be permeated by the economically justified interest element already mentioned.

Thus reorganizing the ranks of CEMA countries for the new era will require joint efforts. The meetings of leaders of our countries may furnish the theoretical guidance for this. As a result of the meeting the economic and political strength of the association may grow further and its respect and participation in the distribution of work in the world's other economic regions may increase.

CEMA COOPERATION IN CHEMICAL INDUSTRY CITED

East Berlin AW--DDR--AUSSENWIRTSCHAFT in German Vol 10 No 39, 22 Sep 82 pp 1-2

[Report based on CEMA materials of 1981, 1982, by Information and Public Relations Department, GDR Ministry for Foreign Trade: "Chemical Industries of CEMA Countries Marked by International Cooperation"]

[Text] The chemical industry is one of the most dynamic branches of production in the people's economies of the CEMA countries. Its stable and dynamic development has been mainly marked by international socialist cooperation, organized and coordinated by the Permanent CEMA Committee, which has existed since 1956. In the first two years of its work it was involved in the coordination of plans for the years 1960 to 1965. At that time the coordination covered about 50 chemical products. Today specialization and cooperation in production concern more than 2,600 products of the chemical, cellulose, paper and microbiological industries. The 10th CEMA Congress (1958) as well as the adoption of the CEMA Complex Program (1971) and the Long-Term Cooperation Goals Program (1978/1979) introduced significant phases of cooperation. The 10th CEMA Congress recommended the accelerated development of the chemical industry on the basis of stable procurement of raw materials while simultaneously emphasizing the production of plastic materials, fertilizers, styrol rubber and chemical fibrous materials. An efficient petrochemical base for this branch of industry was thus created in the CEMA countries in the 1960's. An extensive capacity for the production of various chemical products thus came into being. The countries also are increasingly considering the needs of their partner countries as they determine their own capacity. From 1966 to 1979 alone, annual production capacity for more than 12.5 million tons of fertilizer, 2 million tons of ammonia, 6.3 million tons of sulfuric acid, 2 millions tons of calcinated soda, 1.2 million tons of plastic materials, 500,000 tons of styrol rubber and 300,000 tons of chemical fibrous materials was created.

An important step in cooperation in the chemical industry was realized in the 1970's with the construction and start of production by efficient olefin complexes, with ethylene pipelines connecting them across international borders. Examples are the connected complexes Leninvaros in the Hungarian People's Republic and Kalusch in the USSR as well as Boehlen in the GDR and Litvinov-Neratovice in the CSR. Agreements were also made for deliveries of

olefins and olefin products between the Socialist Republic of Romania and the Socialist Federal Republic of Yugoslavia as well as between the Socialist Republic of Romania and the People's Republic of Bulgaria.

Through the mutual concentration of resources in new production technology and optimal equipment, the highly efficient polymer-50 plant for the production of high-pressure polyethylenes was developed by specialists from the USSR and the GDR in a relatively short time and brought into production in Nowopolozk. Concurrently with the construction and the beginning of production in the Nowopolozk factory, research, development and construction continued. They came to a conclusion in the Leuna Works with the entry into production of the polymer-60 factory, which was further developed and of still greater efficiency. Preparations are underway for similar factories in other socialist countries.

#### Expansion of Specialization and Cooperation

The CEMA commission for the chemical industry planned a series of measures for the realization of the CEMA Complex Program, which established the basis for the realization of agreed long-term programs for cooperation in the production of fertilizers, chemicals and biochemical feed additives, pesticides as well as dyestuffs and semifinished products needed in their production. A long-term agreement was thus concluded in 1973 by the member states of the International Industry Branch Organization for Cooperation in the Field of Low Tonnage Chemical Products (INTERCHIM)--People's Republic of Bulgaria, Hungarian People's Republic, GDR, People's Republic of Poland, Socialist Republic of Romania, USSR, CSR, Socialist Federal Republic of Yugoslavia--on the specialization of pesticide production which covers 85 products. Its realization contributes greatly to a better supply of needed products in socialist countries. From 1975 to 1979 alone, reciprocal deliveries of pesticides rose 77 percent. Also in 1973 these countries reached a long-term agreement in the field of dyestuff production. It embraces eight dye groups and the specialized production of about 600 products. Reciprocal trade in these products was increased 53 percent from 1975 to 1979. The share of specialized products in this product group amounted to almost 70 percent in 1979. Seven types of products are included in the agreement signed in 1977 by representatives of the People's Republic of Bulgaria, the Hungarian People's Republic, the GDR, the Republic of Cuba, the People's Republic of Poland, the CSR and the Socialist Federated Republic of Yugoslavia, on the specialization of cooperation in the production of chemical and biochemical feed additives. Additional agreements concluded in the 1970's concern the production of selected types of S-rubber (1972), chemical additives for polymer materials (1977), auxiliary materials for the textile and leather industries as well the production of chemical fiber materials (1978), pharmaceutical products (1978), tire industry products (1978) and cigarette paper (1979).

In addition to these accords, bilateral agreements reached between the countries on specialization and cooperation in production occupy an important place in the international socialist division of labor. With the implementation of the numerous multilateral and bilateral agreements, a high rate of

reciprocal deliveries of specialized chemical products has been particularly noted in recent years. In three years alone, i.e., 1979 as compared to 1976, these deliveries grew 75 percent. The sphere of specialized products in the export of chemical products reached almost 30 percent. The highest degree of specialization was reached in the product groups for organic dyes and semifinished products for their production as well as in chemical pesticides. The sphere of specialized products in the export of goods in this product group amounts to about 60 percent for this period. The successfully completed and mutually advantageous specialization and cooperation in production persuaded the countries involved to extend (and in some cases to expand) the multilateral agreements, which were mainly effective until 1980, to the 1981-85 Five-Year Plan. Appropriate protocols were signed in 1981 for the existing agreements and others on the specialization of and cooperation in production of pharmaceutical products, cigarette paper, tire industry products, dyestuffs and semifinished products needed in their production as well as on measures to promote the textile, leather, cellulose and paper industries.

#### Rational Local Distribution--Main Emphasis 1981-85

The further intensification of cooperation is embedded in the long term program of cooperation. The programmed goals for cooperation in the energy, fuel and raw materials industries include measures for the chemical, cellulose, paper and microbiological industries in a special subordinate program. Measures for the rational local distribution of chemical production in the most important directions of cooperation during the Five-Year Plan 1981-85 are contained in the subordinate program. With the general agreements and bilateral government agreements signed in 1979--(a) on the expansion of production of energy-intensive chemical products in the USSR (ammonia, methanol, polyethylene) and their delivery in exchange for low-tonnage and less energy-intensive products from other CEMA countries (pesticides, dyestuffs and other materials for light industry) and (b) on cooperation in the construction of a factory for the production of fodder yeast--the measures provided for in the end programs in the chemical industry field began to bear fruit. In addition to the USSR, the GDR, the Republic of Cuba, the CSR and the People's Republic of Poland are participating in the erection of the fodder yeast factory, which will have an annual capacity of 300,000 tons of fodder yeast.

The expanded and intensified cooperation will enable the CEMA countries to meet their need for selected chemical products in the Five-Year Plan 1981-85 better; this includes ammonia, nitrogen and phosphate fertilizers, butadien-styrol rubber, technical carbon, ethylene glycol, caprolactam and terephthalic acid.

#### Production of Selected Chemical Products

	<u>1960</u>	<u>1970</u>	<u>1980</u>
	<u>in 1,000 m tons</u>		
<u>Fertilizers (100%)</u>			
People's Republic of Bulgaria	125	434	653
Hungarian People's Republic	102	518	1,045
GDR	2,166	3,245	4,735
People's Republic of Poland	477	1,629	2,238
Socialist Republic of Romania	70	895	2,451
USSR	3,281	13,099	24,767
CSR	293	681	1,233



Production of Selected Chemical Products (cont'd)

	<u>1960</u> <u>in 1,000 m tons</u>	<u>1970</u>	<u>1980</u>
<u>Sulfuric acid</u>			
People's Republic of Bulgaria	123	503	859
Hungarian People's Republic	178	471	608
GDR	730	1,099	958
People's Republic of Poland	685	1,901	3,019
Socialist Republic of Romania	226	994	1,756
USSR	5,398	12,059	23,033
CSR	553	1,110	1,284
<u>Ammonia</u>			
People's Republic of Bulgaria	111	778	1,009
Hungarian People's Republic	81.6	503	966
GDR	477	585	1,436
People's Republic of Poland	346	1,443	1,882
Socialist Republic of Romania	35.0	963	2,732
USSR	1,384	7,638	16,732
CSR	186	525	1,028
<u>Plastic materials and artificial rozins</u>			
People's Republic of Bulgaria	7.3	89.2	250
Hungarian People's Republic	9.9	55.9	328
GDR	115	370	861
People's Republic of Poland	40.1	224	576
Socialist Republic of Romania	12.4	206	579
USSR	393	1,479	3,208
CSR	64	245	894
<u>Polyethylene</u>			
People's Republic of Bulgaria	---	34.2	88.6
Hungarian People's Republic	---	5.3	52.6
People's Republic of Poland	---	16.7	---
Socialist Republic of Romania	---	65.9	124
USSR	1.2	267	623
CSR	---	29.2	164
<u>Polyvinylchloride</u>			
People's Republic of Bulgaria	---	14.2	63.9
Hungarian People's Republic	0.2	14.1	173
People's Republic of Poland	13.4	85.6	125
Socialist Republic of Romania	4.1	56.4	206
USSR	24.8	160	398
CSR	10.9	41.0	204
<u>Dyes and lacquers</u>			
People's Republic of Bulgaria	13.2	46.5	68.5
Hungarian People's Republic	34.6	85.9	120

Production of Selected Chemical Products (cont'd)

	<u>1960</u>	<u>1970</u>	<u>1980</u>
	<u>in 1,000 m tons</u>		
GDR	160	219	380
People's Republic of Poland	101	272	416
Socialist Republic of Romania	20.0	84.6	182
USSR	1,212	2,379	2,879
CSR	82.5	165	232

Index and Development of the Chemical Industry<sup>1</sup> in the European CEMA Countries

	<u>1975</u>	<u>1977</u>	<u>1980</u>
	<u>1970=100</u>		
People's Republic of Bulgaria	174 (155) <sup>2</sup>	206 (175)	277 (206)
Hungarian People's Republic	161 (136)	196 (152)	235 (161)
GDR	150 (137)	167 (152)	190 (174)
People's Republic of Poland	176 (164)	204 (192)	218 (207)
Socialist Republic of Romania	207 (184)	274 (231)	327 (290)
USSR	164 (143)	188 (159)	216 (178)
CSR	161 (138)	186 (154)	213 (174)

<sup>1</sup> Including rubber and asbestos production

<sup>2</sup> Contemporary index of industrial gross production in total

Source: STATISTICAL YEARBOOK OF THE CEMA MEMBER COUNTRIES, 1981

9827

CSO: 2300/30

# ROLE OF PRICES IN SOCIO-ECONOMIC POLICY OF PARTY

Tirana RRUGA E PARTISE in Albanian Aug 82 pp 23-32

[Article by Niko Gjyzari: "The Policy Prices and Their Stability and Reduction -- A component Part of the Socio-Economic Policy of the Party"]

[Text] Our party has seen and sees the assurance and the gradual and secured improvement of the well-being of the working masses as closely linked with the concrete conditions under which the main economic law of socialism works and with the objective and subjective conditions which every stage of our socialist construction creates, adhering to the basic principles for insuring the improvement of the well-being not only for the present, but also for the future, and not only for some people, but for all the members of our socialist society both in cities and villages.

Giving such revolutionary meaning to this well-being, the party has set, harmonized, and pursued a concrete revolutionary road for raising the living standards of the working masses, based on increased production and on the improved effectiveness of our socialist economy. During the entire period of the socialist construction of the country, the participation in useful social activities of the entire population, fit for work, the perfection of distribution according to work, the improvement of the system of wages, and the planned increase in the average wage plan, the increase of the social consumption fund, the stabilization and repeated reduction of prices of retail goods and of paid services to the population, and so forth have been the main ways of assuring and continually improving the well-being of the working masses. The harmonization of these ways has been carried out in such a manner that it has managed to narrow the disproportions existing in the level of incomes and living standards between city and village people and between white-collar workers and laborers, and to ease the burdens of workers with several children and those with low wages. In this framework, of particular importance also is the continual increase of the social consumption fund, from which every family gets an average of 4,000 leks per year. The state pays gratis, all expenditures for education and health, about 65 percent of the expenditures for children in creches and kindergartens, and all expenditures for maintaining a complete system of social security both in the cities and in the villages. The state expenditures for social and cultural activities constitute about 24 percent of all expenditures of the state budget.

In this five-year plan, on the basis of the policy pursued by the party for the socio-economic development of the country, completely relying on our own forces, the ways of guaranteeing and of improving the well-being of the masses will be harmonized in a revolutionary manner. Thus, the number of workers in work relations will be increased by 210,000 workers to be employed exclusively in the sphere of material production. The consumption fund will be increased 21 percent by increasing the social consumption fund more rapidly. Measures have been foreseen, and are being executed, for the perfection of norming, for work compensation, and for increasing the average wage of workers according to the plan, especially, the incomes of the members of the cooperatives, which will be increased at a rate twice as high as for city workers.

Implementing the tasks assigned by the Eighth Party Congress for raising the cultural and material level of the working masses 8-10 percent during this five-year plan, relying on the results achieved through increased production, improvement of the social productivity of labor, and the reduction of costs, there was also a new reduction of retail prices for a number of consumer goods as well as a reduction of charges for a number of communal services. Thus, beginning June 16 of this year, the retail prices for certain food articles were reduced by 8-15 percent, those of some industrial articles by 10-35 percent, and charges for a number of communal services an average of 8-15 percent. From this new reduction of prices, the population will have an annual profit of 75,000,000 leks.

It is not the first time that the retail prices of consumer goods have been reduced in the country. In order to assure and improve the well-being of our working masses, along with the development of the social production at high rates and the perfection of socialist relationships in production, especially the relationships in distribution and trade, the selling prices of consumer goods have also been reduced time after time. Despite the fierce imperialist-revisionist blockade against our country and despite the efforts of the traitors and enemies, inside and outside the country, to obstruct our development on the road to socialism, even at a time when the difficulties which were created for us were very serious, the party never allowed the increase of retail prices of consumer goods. On the contrary, from 1950 to the present, there have been 16 mass price reductions accompanied by other measures benefitting the working people. Of great importance is the fact that the reductions of prices were carried out for the main food and clothing articles for the population such as bread, flour, sugar, oils, rice, milk, woolen and cotton textiles, and so forth. While, since 1956, in regard to ready-made clothes and shoes for children and youths, favorable prices have been set and the state has been contributing tens of millions of leks per year. The level of prices for imported and domestic medicines is very low; while, for children up to 12 months, medicines are given free of charge. The rents for dwellings are among the lowest in the world, amounting to only 1.5-3 percent of the income of a family.

In the entire process of the socialist socio-economic development of the country, the party has always pursued an economic policy based on the Marxist-Leninist teachings, on the knowledge creative execution of the economic laws

of socialism. In this process of development, the successful use of the lever of prices has occupied an important place, as an important means for perfecting the management of the economy, for rapidly developing social production, and for the distribution and redistribution of the national incomes in accordance with the party guidelines, in the interest of further strengthening the people's economy, of narrowing disproportions between cities and villages, and of continually improving the national and cultural well-being of the working masses, as well as for invigorating the defense capacity of the fatherland.

Thus, our party has seen and sees the issue of prices not simply as a matter of a financial nature, but, first of all, as an issue of a political, economic, and social nature linked with the execution of its entire policy for the socialist construction of the country. Therefore, a correct and wise policy has been pursued in the field of prices, inserting in the foundation of this policy, the concern for the continual improvement of the well-being of the working masses, on the basis of an uninterrupted increase of social production, using the lever of prices as an encouragement for raising the production of the material goods with as few expenses as possible, for the best possible utilization of raw materials and of other materials, and for encouraging the increase of production of machines, pieces of equipment, raw materials, and consumer goods and for limiting their import as much as possible. Also, the implementation of the party's economic policy in the field of prices has been influential in perfecting socialist relationships in production, especially, in villages, and in gradually narrowing the main disproportions between cities and villages and the disproportions within villages themselves, and between the plain, hilly, and mountain areas. The measures taken in 1976 for the reduction of prices of some goods, which are used more extensively in villages, and some other measures taken in favor of a rapid development of the agricultural cooperatives in hilly and mountainous areas, with an economic effectiveness of about 140,000,000 leks, also served this purpose. The recent decision of the Council of Ministers of the People's Socialist Republic of Albania on the granting by the state of some investments of a productive character for hilly and mountainous areas also serves this purpose.

A distinctive character of the party economic policy in the field of prices was the formation of retail sale prices in a conscientious and centralized manner according to the plan, on the basis of single principles and criteria for all the country, thus, correctly using, in the field of prices, the possibilities which the existence of the people's government creates, such as the continual increase of the general social product at high rates, taking into consideration the fact that without producing more and more material goods and without producing means of production and consumer articles always in greater and greater proportions, with good quality and of the required structure, it is not possible to have improvement in the well-being of the people.

Under the party leadership with Comrade Enver Hoxha at its head, our people carried out deep social and economic changes within a short period; they created the concrete conditions for increasing social production in a rapid



manner. Statistics on achievements tell about this when we compare them not only with the pre-liberation years, but also with the levels of successes which were achieved 20 years ago. Thus, for example, in 1980, compared to 1960, the overall social product increased 3.8 times, while the per capita product for the population increased 2.4 times; the overall industrial production increased 5.5 times and industrial per capita production increased 3.4 times; the overall agricultural production increased 2.6 times and per capita agricultural production increased 1.6 times; and so forth. Today the young industry of our country produces steel, cast iron, iron, nickel, petroleum and its by-products, spare parts, machines and pieces of equipment, as well as more than 85 percent of the consumer goods. A modern, multibranch agriculture has been created; among other things, for some years, agriculture has been fulfilling all the needs of the population for bread grains; it supplies light industry and the food industry with raw materials; it also fulfills the requirements for exports of agricultural products.

The directives approved by the Eighth Party Congress for economic and cultural development are magnificent. The Seventh Five-Year Plan is the direct continuation of the achievements of the previous five-year plans and marks a new higher stage in the uninterrupted economic and social development of the country on the road to socialism. In this five-year plan, there will be a comprehensive development of the productive forces and an increase of the social product at relatively high rates which will assure the gradual improvement of the material well-being and of the cultural level of the working masses. The dimension [of development] expected to be reached through the social product, the national incomes, the investments in construction, the exports and the financial resources are as great as the achievements during 3 or 4 five-year plans, taken together, of the 1950-1970 period. The overall social production, compared to the past five-year plan, will increase 34-36 percent, industrial production 36-38 percent, and agricultural production 30-32 percent. About 750 important economic, social, and cultural projects will be constructed.

A concrete expression of the correct meaning and execution of the party guidelines and directives for the fulfillment of the set tasks is seen in the results achieved in 1981, during which year the industrial production, compared to 1980, was fulfilled and overfulfilled with an annual increase of 7-8 percent and the agricultural production, with an increase of 7 percent. The tasks for transportation, for the increase of labor productivity, for the reduction of costs, for the increase of accumulation resources, and so forth were overfulfilled.

Inspired by the party guidelines and by Comrade Enver Hoxha's teachings, the working class, the cooperative peasantry, and other working masses have taken a number of new initiatives and pledges and are working, engaged in socialist competitions, to fulfill the tasks of the 1982 plan ahead of schedule. In the first six months of this year, the overall industrial production plan was fulfilled more than 102 percent, and not only in global fulfillment; in the majority of the main items of production, the planned tasks were fulfilled and overfulfilled. The agricultural workers too, despite the conditions of prolonged drought, in comparison with the same

period of last year, produced 10 percent more meat, 13 percent more milk, 17 percent more eggs, 13 percent more vegetables, and so forth. In regard to wheat production, the results of this year seem to be satisfactory. Lezhe, Sarande, Kruje, Tirana and other districts fulfilled and overfulfilled their wheat production plans. As a result of these achievements, the population was better supplied with consumer goods than last year. This is also shown by the fact that the tasks of the goods circulation plan were overfulfilled.

These achievements, the party recommends, must in no way give us self-satisfaction, because, not only do we have the possibilities and reserves for greater results, but also the planned tasks have not been fulfilled everywhere in all the items of the plan. Still in some economic enterprises and agricultural cooperatives there are people who show little concern for the quality, assortments, and production costs.

The people need specific quantities of produced assets which are assured through the production of all assortments in specified quantity and quality, for all ages and types, [of consumers], in specified sizes, for all the seasons of the year, and for the cold and warm areas. However, in the field of planning and, especially, in the field of the fulfillment of the plan tasks, there still are cases showing a failure to properly take these requirements into consideration. There are cases when some produced goods are not wanted by consumers and, thus, are piled up in great quantity in stores, at a time when other necessary goods are in demand.

Of course, here there are problems of an organizational and economic, technical and technological nature; however, first of all, there is an insufficient work and struggle against the manifestations of global fulfillment and against one-sidedness observed in some enterprises which hinder the regular fulfillment of the plan in all its indicators. Experience shows that where the people struggle properly to remove these phenomena, the problems of an organizational, economic, technical, and technological nature also are correctly evaluated and solved.

Along with the continuing increasing of production, the party has also devoted particular attention to the problems dealing with the uninterrupted improvement of economic effectiveness. In all its activity, the party has dealt with economic effectiveness in harmony with the purpose of socialist production; it has considered it as an objective necessity which serves the implementation of the principles of reliance on one's own forces. The effectiveness of our production and economy is neither partial and situational nor spontaneous, as in the bourgeois and revisionist countries, where effectiveness is insured as a result of speculations in the field of distribution. On the contrary, in our country, effectiveness is comprehensive, planned, and centralized, because, it relies on the uninterrupted increase of production, on the reduction of costs, and on the continuing improvement of qualitative indicators of production, where everything is managed on the basis of the principle of democratic centralism.

The successes which we have achieved in the development of the economy and of production and the comprehensive struggle which we have carried out to establish a strict system of savings everywhere, to increase the social productivity of labor, to reduce production costs, and so forth have made it possible for the indicators of economic effectiveness to be improved from year to year, thus, further improving the financial situation of the country. With our financial and monetary resources, we have met the increasing expenditures for the development of the economy and of the social and cultural sectors and for strengthening the defense capacity of the country.

In implementing the tasks assigned by the Eighth Party Congress in the field of improving economic effectiveness, both in 1981 and in the first semester of this year, achievements have been satisfactory. Thus, the tasks for increasing labor productivity, for reducing costs, for the state budget revenues, for the net revenues of the enterprises, and so forth--all were fulfilled and overfulfilled. In the first six months of this year, labor productivity in industry was fulfilled 102 percent and in the construction-assembly sector 100 percent; production expenditures, compared to the plan tasks, were reduced by 24,000,000 leks; while, the state budget was fulfilled 101 percent; the net and centralized state incomes were overfulfilled by 62,000,000 leks, accumulations were overfulfilled by 94,000,000 leks, and so forth.

Work of good quality, with high productivity, and with as few material expenditures as possible is the seed for assuring the effectiveness of production and for guaranteeing progress in all the economy. Seeing the situation from this vantage point, it appears that where one works and produces there is also room for strengthening work organization and for reinforcing regulations and discipline so as to better utilize work time, with effectiveness, to use raw materials and other materials with a high sense of savings, and to produce only products of good quality; those are among the main factors for increasing labor productivity and for reducing production costs, as the basic ways leading to the improvement of economic effectiveness. We must never be satisfied with the global fulfillment of the plan; on the contrary, we must assure its fulfillment in harmony with all its quantitative and qualitative indicators, and with all branches and sectors of the economy, in all the enterprises and agricultural cooperatives.

It is worth noting that in the first six months of this year there were specific enterprises and cooperatives which created shortcomings in production and in financial and economic indicators. Thus, for example, along with the 460 enterprises which overfulfilled their accumulation tasks by 180,000,000 leks, there were 130 other enterprises which had 35,000,000 leks deficit because of their failure to fulfill the production and distribution tasks, the cost reduction tasks, and other tasks. Despite the results achieved, some enterprises, products, and specific activities still have losses mainly because of organizational and managerial shortcomings; in fact, when you analyze closely the activities of these enterprises, it appears that they are precisely the ones which exceed the norms for the consumption of materials, which poorly handle the material and monetary values, and which do not fully utilize production capacities and, consequently, do not fulfill the tasks for improving the effectiveness of social production.



The new reduction of prices of retail sales of consumer goods is a new inspiration to work everywhere with intensity and with strict discipline so as to perfect the scientific organization of work and of production, to expand the technical and scientific revolution, to perfect the technology of production, to increase the production of social labor, and to reduce production expenditures so that manpower and concrete work be spared as much as possible and so that the effectiveness of the social production be improved.

In this framework, the workers of the planning and financial sectors, from the grassroots to the center, can and must play an important role; they must speak out better than they have until now both about drafting real, mobilizing, and fully coordinated plans and about fulfilling them in all indicators. Among other things, the unity between the material aspect and the financial aspect of production must be properly considered by them from the planning stage and, on this basis, efforts must be increased in order to absolutely assure the fulfillment of this unity.

To avert negative phenomena, the financial and bank organs can and must play a more active role in this field, both in the production sphere and in the sphere of circulation, using the levers of our economic mechanism and, among them, the lever of prices, in a more effective manner and on the correct Marxist-Leninist road. They have all the opportunities to announce on time that the economy is in a position to take this or that step for reducing expenditures, for increasing incomes, and for other things. However, so that they will carry out this in the best way possible, it is necessary for the workers of this sector to deal seriously with the drafting and execution of plans, considering it as an uninterrupted process, pursued on a continuing basis through analysis and studies. And, here, it is not a question of analyses and studies in general and no matter how, but one of analyses and studies which discover the manifestations of the phenomena and which show the way to solve them. If, for example, we analyze the cost, it is necessary to concretely analyze and discover the factors which have influenced its reduction and, on this basis, to make a generalization and to draw conclusions in order to discover the other reserves which exist and which our socialist economy is continually creating.

The new and numerous tasks, which must be solved for the complete building of the material and technical base of socialism and for the development of the economy and culture, require thorough and complex studies for the discovery and mobilization of all our domestic human, material, and monetary resources which promote the improvement of the effectiveness of production and of the economy.

The measures, which the party has taken and is executing for the assurance and gradual and positive improvement of the well-being of the working masses are serving to further increase the mobilization of the working class, of the cooperative peasantry, and of the people's intelligentsia for the fulfillment of the 1982 plan tasks and those of the entire five-year plan, for the strengthening and progress of our socialist fatherland, and for achieving all the objectives assigned by the Eighth Party Congress.

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## NEED FOR IMPROVEMENT OF FOREIGN TRADE ACTIVITY

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[Article by Naqo Sinani: "On the Basis of Experience Acquired, Let Us Fulfill Better and Better the Tasks for the Development of Foreign Trade"]

[Text] During the past five-year plan, the workers of our country, led by the party, successfully fulfilled the tasks for the development of foreign trade. During this period, trade with various countries of the world was further expanded and the distribution of export-import goods in areas and countries was improved for the purpose of the better utilization of opportunities and traditions and for the purpose of not limiting trade only to some countries and forms, and the structure of export-import goods was further improved. New resources for the production of industrialized goods, which are in demand and which are sold on many international markets, were added to the list of exports while, the import sector increased the specific role of the means of production necessary for expanded socialist reproduction.

Today, our country trades with more than 50 countries in the various areas of the world and our trade relations are being expanded on the basis of reciprocal profit. The goods of our industry, agriculture, and crafts, and so forth are exported more and more to the various markets of the world and are admired for their quality and originality.

In the last five-year plan, the party slogan "without export there is no import" took on a new meaning of an imperative necessity. And, it was precisely the mass involvement of our workers, under the leadership of the party, that made it possible, among other things, to implement this slogan which made our economy capable of successfully overcoming both the serious difficulties and obstacles which the capitalist and revisionist encirclement and blockade are continually creating for us and those which were created by the now known hostile sabotaging, antisocialist, and anti-Albanian attitude and activity of the Chinese revisionist leadership against our people and country. In the last years of the Sixth Five-Year Plan, for the first time, our economy managed to balance its needed imports with its exports. This balancing, Comrade Enver Hoxha stressed at the Eighth Party Congress, was carried out without reducing the rates of development of the economy and without affecting the level of well-being of the people.

Balancing of exports with imports was a great test of historical importance for our country; it was successfully met. The foundations of the Seventh Five-Year Plan were laid on this basis.

In the directives of the Eighth Congress of the Albanian Workers Party for the Seventh Five-Year Plan, it is expected that the volume of the circulation of our foreign trade goods in 1985, compared to 1980, will be increased by 57-59 percent, giving priority to exports over imports, with the purpose of improving the active balance of exports-imports and of insuring the increase of the hard currency reserves of our country.

During this five-year plan, the structure of export goods will be further improved and their value will be further increased through processing and the improvement of quality. In 1985, processed goods will account for about 73 percent of the value of the goods for export; this indicator is very meaningful; it tells about the correctness of the policy pursued by the party for the social industrialization of the country and for the development of socialist agriculture and of other branches of the economy which, within some decades, has made Albania an exporting country, not simply an exporter of some raw materials, but an exporter of processed goods of very great value such as motor fuel, electric energy, ferrochrome, and many other goods produced by our multibranch economy.

The consistent implementation of the principle of our party that "without export there is no import" has been and will always remain the basis of the activity of our foreign policy without which the principle of relying on one's own forces—on our material and monetary resources—cannot be implemented.

The priority of exports over imports is linked with the priority of production over other moments of socialist reproduction. Without producing it is not possible to speak about utilization and consumption; and without producing goods for exports and without placing these goods on foreign markets with goods it is not possible to guarantee the necessary funds in hard currency in order to cover the import of goods needed for the development of the economy and for fulfilling the necessary needs of the population. This is one of the main requirements for an uninterrupted development, through our own forces, on the road to socialism, which has found, more and more, a concrete expression in the directives of the Eighth Party Congress for the Seventh Five-Year Plan.

This is why the fulfillment of all the tasks in the field of foreign trade requires, first of all, that the Marxist-Leninist concept that exports and imports constitute one unit and that exports have priority in this unit be deeply instilled in the minds of all.

Thanks to the work done and being done by the party for the analysis and implementation of this guideline, results have been achieved in the fulfillment of the production tasks and in the increase of the volume of circulation of goods and the improvement of the effectiveness of foreign trade. During the first year of the Seventh Five-Year Plan and during the first semester of this year, foreign trade tasks were executed well, in general. The

export tasks were fulfilled for many items, such as, for example, electric energy, petroleum by-products, textiles, medicinal plants, canned fish, vegetables, brandy, copper wires, and so forth. It is important that many enterprises fulfilled their tasks in a regular manner. Thus, for example, in Korce District the articles for export, such as artistic articles, ready-made clothes, knitwear, and so forth were produced on a regular basis, according to planned assortments and quality.

However, without denying the results achieved, there are still disturbing problems, shortcomings, and weaknesses in this field in regard to implementation of the tasks for increasing and fulfilling exports; government and economic organs, both in the production and foreign trade spheres must demonstrate more serious concern in solving and eliminating them.

There are cases when some economic enterprises and agricultural cooperatives have created deficiencies in the fulfillment of export plans. Some others fulfill their tasks globally, but not according to assortments and quality and not on schedule. And, what is worse, in some cases, these weaknesses and nonfulfillments, instead of being analyzed with a critical eye, are justified by reasons of an "objective nature," such as, for example: "the agricultural sector did not provide us with raw materials," "there was lack of packaging or packaging was not provided in time," "contracts were not concluded on schedule," "the transport sector did not respond in time," and so forth.

Of course, problems of this nature exist, because, the production on schedule, the preparation, and the delivery of export goods do not always depend only on the producer's activity. However, if the issue is analyzed from the aspect of the totality of relationships and of reciprocal obligations, which the enterprises and the various organs of the economy have in regard to the fulfillment of the export tasks, it results that, in the final analysis, shortcomings are mainly of a subjective nature and they can be eliminated if the reciprocal fulfillment of the tasks is correctly understood, as one of the most basic conditions for the development of our great planned economy, where its various links are linked as a chain with each other and are dependent on each other.

Export and import also have similar reciprocal relationships and interdependence. Therefore, every failure to fulfill the export tasks creates a difficulty in securing the planned funds for covering the necessary imports. But, is the issue seen on this broad plane by all those who have tasks in regard to exports? Who conceives and values the issue in this way, and who acts with particular anxiety in regard to fulfilling his obligations? The opposite occurs with those who do not conceive and do not properly evaluate relationships between imports and exports in a correct and thorough manner and on a broad plane. And, they are precisely those people who in particular, try to justify the failure to fulfill their export obligations by "objective reasons."

The removal of the shortcomings which we mentioned is a great reserve for improving the effectiveness of our exports. For this reason, the party has stressed that the necessary measures should be taken so as to strengthen work to ensure the regular production of the planned products for export, within the set deadlines, to improve quality, to increase the assortment of goods, and to improve their packaging, labeling, and marketing.



The regular fulfillment of the plan for export goods is an important factor for the normal and highly effective circulation of goods for foreign trade. And, it is a fact that, in this field, results have been achieved, especially, during these past years. However, there still are signs that the delivery of goods for export is executed mainly at the end of the month, of the quarter, or of the year. Thus, for example, the enterprises of the Ministry of Industry and Mines fulfilled 30 percent of the annual plan for exports in the fourth quarter of 1981; while, the enterprises of Light Industry and the Food Industry fulfilled 14 percent of the annual plan [for exports] in December. Such a practice places the foreign trade organs in difficult positions toward foreign firms in regard to the respect for contractual obligations and for banking of hard currency on schedule, in addition to the difficulties created for the storing, transportation, and the sale of goods with profit. Irregular fulfillments of the planned tasks have also been observed during this year, especially, because of weaknesses in the organizational and management work of government and economic organs.

Problems also exist in regard to the timely production of many goods for export by the agricultural sector. Our fresh vegetables and potatoes are preferred by many European countries because of their quality; this fact is seen in the increased demands for these products, especially, by free currency markets and by their sale in these markets at better prices in comparison with the products of other exporting countries. However, the level of incomes from vegetables and potatoes has depended and depends on the early delivery of products and on their quality. For example, tomatoes which are exported in May are sold at twice the price of those which are exported in June. And, reserves for accelerating early delivery are many. This fact is also proven by advanced experience. Thus, for example, the Koplik agricultural cooperative in Shkoder District, although it has less favorable climate conditions than some agricultural cooperatives in Sarande, Vlore, Fier, and Lushnje districts, because of implementing new agrotechnical norms, delivers its vegetables for export earlier than many agricultural units of these districts. The experience gained by this cooperative deserves particular attention on the part of the government and economic organs so that it may be generalized and spread to other agricultural cooperatives, on the basis of the concrete conditions prevailing in each of them.

The improvement of the quality of goods and of their packaging, labeling, and marketing is another reserve, one of the greatest ones, for increasing incomes from exports. Achievements in this field are linked with three main issues of an economic and political nature. First, with the stabilization of the sales markets and with the penetration of new markets with great economic profit. Second, with the increase of the selling prices which, in the international markets, differ greatly, in their quality and in their packaging and labeling. Third, with the propagandizing of our country, expressing, through these qualitative indicators, our culture in production and the tastes and demands of our people.

As also shown by practice, such understanding of the issue makes it possible to find the ways and to set the measures in order to make the shift which the party requires in the improvement of the quality of production and of

the quality of packaging, labeling, and marketing of exports goods. And, it is a fact that results in this field have been increased gradually. Consumers and the foreign press speak well about many of our export goods, for example, about bitumen, and gasoline, about some food articles, about our fresh vegetables, and so forth. As a result of efforts to implement the recommendations of the Eighth Party Congress, there were greater improvements in the quality of some export goods during the first six months of this year. This is also shown by the fact that complaints about poor quality have been reduced in a noticeable manner.

The strengthening of control over the execution of technical and technological processes is among the factors which have been the most influential in this direction, placing, in the role of controllers, not only specialized people and organs, but also, above all, the workers themselves. The meetings held between members of distinguished units and those of backward units, the enlisting of the skilled thoughts of workers and so forth have also been influential. This is the source of the improvements carried out in regard to the quality of production, the packaging of cognac for export, of dried vegetables, and so forth.

From the talks and face-to-face meetings organized between foreign trade organs and the producers' enterprises, it appears that good steps have been taken in regard to the improvement of the quality of production and of packaging by the workers of the knitwear combine, of the clothing enterprises, and of the enterprises for the production of artistic articles in Korce District. In these enterprises, a continuing control is exerted from the initial process to the moment when the goods are put in storerooms. The "Nako Spiru" wood combine in Elbasan not only regularly fulfills its export plans in quantity and assortments, but also carries out a careful work for improving the quality and for respecting the contractual conditions. Good work in the direction of improving the quality is also being done in the wire plant in Shkoder and many other enterprises.

However, the work for improving the quality of goods is not always and everywhere carried out properly; failing to see production as a unity of quality and quantity, there still are enterprises which excessively pursue global fulfillment of the plan. Thus, for example, the enterprise for the production of clothes in Pier has the same working conditions and same raw materials as its sister enterprises, let us say, in Korce, Sarande, and Kavaje; but, the quality of carpets produced by this enterprise leaves much to be desired; while, the enterprise makes excessive expenditures to reach the parameters of the quality stipulated in the contract with its foreign customers; this behavior increases production costs.

There also exist great possibilities for further improving the quality of the mineral ores, which we expect, by giving more attention to the organizational, managerial, and monitoring work, especially, in the field of the selection of mineral ores. We stress this fact, because, despite the observations which have been made, there have still been cases, for example, when chromium was produced, and even exported, with low content of chromium oxide and with high

content of stones and dust; this reduces incomes in hard currency, makes it more difficult to find markets, and increases expenditures for transportation, loading and unloading, and for additional selections at storage grounds.

Tobacco and cigarettes occupy an important place in our exports. However, their sale has become difficult because of the very great competition existing in the international markets. The improvement of the quality of tobacco and cigarettes is very profitable, because, their selling price on the international market increases one to eight times depending on the quality. The experience of some agricultural cooperatives in Shkoder, Elbasan, and Berat districts shows that great opportunities exist to improve tobacco quality. It shows, among other things, that the tobacco issue requires concern during all its stages, from the stage of production, drying, handling, and storing to the moment it goes to its destination. Particular attention should be given to the courageous introduction of the new kinds of oriental tobacco which yield high quality tobacco and which have given good results in Shkoder District and in some agricultural cooperatives in other districts which have started to experiment with this brand.

In practice, one also encounters the erroneous idea that the quality of goods is formed mainly through the monitoring process or during the analysis carried out to this effect. Such a view obstructs the coordination of a careful and skilled work in all processes and links of the formation of the quality of goods from the processes and links of production and of circulation until the goods reach their consumers. In the framework of work improvement in this field, the perfection of relationships of cooperation of all sectors and organisms, which influence the quality of goods, assumes a special importance. The activity of the experienced specialists of the central departments must also be evaluated in this light; they must not only observe, but also show the ways of solving the problems, being as near to production as possible and giving concrete aid for improving quality. Their role would be very great in solving the basic issues of quality if they would, on a timely basis, deal with the issues regarding the generalization of advanced experience and the organization of control over the implementation of this experience everywhere and with the issues concerning the insuring of suitable raw materials, the introduction of progressive technologies, the implementation of established standards, and the strengthening of quality control, struggling against liberal attitudes and reciprocal concessions, and so forth.

Many industrial and agricultural products are sold at differentiated prices in foreign markets, although they are produced with good quality, because, they do not have a lighter and more practical packaging: while, in some cases, difficulties are also created for the sale of products in the free currency markets, where great and increasing requirements exist in regard to proper, beautiful, light, and practical packaging of products. Possibilities have been created for better responding to the requirements of foreign markets for tin containers which are lighter, more resistant, and easier to handle than those of glass. The Ministry of Light Industry and Food Industry and the Ministry of Foreign Trade do not have any serious reason for delaying

the solution of this issue. Technical opportunities and the material base exist, but, organizational and managerial measures to solve this issue do not exist. Packaging containers in tin, according to the forms and sizes required by foreign markets, will make it possible for the largest part of the articles of our food industry, that is, those which are exported, to be sold exclusively, for free currency and more profitably. Cardboard packaging also has a positive influence on the preservation of goods during transportation, the mechanization of the process of marketing, the reduction of weight, and so forth. Noticeable improvements can and must be carried out, especially, in the packaging of artistic articles, particularly, in regard to the form, size, color, and direct marketing in the cardboard containers.

In Shkoder and Tirana districts, as a result of some technical and organizational measures, especially, in regard to the specification of norms for weight and for outside appearance, and by activating skilled workers, it was possible to provide packaging which foreign customers liked; this fact increased the value of the goods and the prestige of our country. However, this experience must be generalized and further expanded in accordance with the constantly increasing demands. The Ministry of Foreign Trade can give better aid than until now to our producers, especially, to provide the raw materials which serve to improve the packaging of goods.

There are many reserves and possibilities for increasing the number of goods for export, both through the better utilization of our natural resources, of agricultural and industrial products, and through improvement of the level of goods for export and the implementation of a strong system of savings in the use of such products as gasoline, gas oils, electric energy, cement, and so forth, which are much in demand in foreign markets.

In the past years, a great number of new articles, produced in good taste, within the required standards, were put on the list of our export goods. In the meantime, the export of processed goods has been increased. However, the possibilities for improving the level of processing of the most important goods for export are great. For this purpose, there are plans to build some important projects during this five-year plan, especially, for the enrichment of mineral ores, for the increase of the range of copper wires, and for the production of nickel-cobalt, of lubricant oils, and so forth. But, the possibilities also exist for the processing of some other articles which, although they do not have an important role in our exports, nevertheless, without making investments or with very small investments, are important in improving the effectiveness of our foreign trade. Thus, for example, much more can be done in regard to the processing of plasticized textiles, of wooden articles, and of medicinal and ether and oil plants, for the further processing of yard goods, and so forth.

At present, the opportunities exist to process a greater number of agricultural products in the country. The important point is that the food industry must respond to the great period of agricultural production with organizational measures and with the material base, so as to create the conditions for the extension of the cycle of processing and of preserving agricultural products for export.



In agriculture, resources for products for export are numerous and inexhaustible. Every agricultural cooperative and enterprise can provide products for exports and insure good incomes from them. When we say this, we do not take into consideration only field crops, but also the development of auxiliary activities. For example, considerable incomes can be insured from frogs, snails, sage, medicinal plants, mushrooms, and so forth.

However, the expansion of the range of export goods requires, among other things, that the government and economic organs in the districts and at the center correctly evaluate both the ensuring of mineral ores and of other materials which raise our exports considerably, and the increase and improvement of work in regard to other resources, such as the medicinal plants and, in general, the products from forests, artistic products, and many other articles which are greatly in demand in international markets, at higher and higher prices; and, we have all the possibilities for increasing their number. Thus, merely by adding to the number of existing willow roots, and by treating them scientifically, the export volume of baskets produced with willow sticks, could be doubled.

Many initiatives have been taken, especially, after the Eighth Party Congress, for increasing exports and also for reducing imports, on the basis of the production in the country of many machines, pieces of equipment, and raw materials and other materials which up to now, have been imported from abroad. They are the concrete form of the party policy for the construction and defense of socialism with our own forces; therefore, they are strongly supported by the party organizations which encourage and guide all these revolutionary initiatives. However, important tasks for supporting and driving these initiatives forward also devolve on the government and economic organs, who, by coordinating their activities much better with those of other government departments, must take the necessary measures to solve some issues, such as speeding up the delivery of some goods from abroad, such as some machines, pieces of equipment, and other materials without which some revolutionary initiatives cannot be executed.

During the Seventh Five-Year Plan, the party guideline--that the majority of our imports, about 93 percent, will be machines and some kinds of raw materials and other materials necessary for the expansion of production in the country, greatly increasing the specific proportion of machines and pieces of equipment necessary for the building of some great projects and for the reconstruction and modernization which will be carried out during this five-year plan--will be implemented at a higher level. The successful execution of this task requires the close cooperation and coordination of the activity of foreign trade organs and the organs who order the goods, for the purpose of taking all necessary preparatory measures, on the basis of the complete study of all technical, economic, and trade factors, so that the projects, machines, and pieces of equipment to be imported, will satisfy in the best way possible, our requirements and needs. "In the field of imports," Comrade Enver Hoxha stressed at the Eighth Party Congress, "one of the greatest problems, and most responsible one, which requires more thorough knowledge and preparatory concrete measures and cooperation and

and coordination of work by all government departments, technologists, designers and executors of investments, as well as by the foreign trade sector, is the supplying of machines and pieces of equipment for the complete projects and for the reconstruction and modernization to be carried out during this five-year plan" (Enver Hoxha, "Report to the Eighth Congress of the Albanian Workers Party." p 48).

The fulfillment of the magnificent objectives of the Eighth Party Congress for the development of the economy also assigns great tasks to foreign trade workers so that they will respond better and better to the relatively high rates of the economic and social development of the country.

Practice shows that the development of industrial and agricultural production, the creativity of the working masses, and the satisfaction of some important needs of the working people in the sphere of consumer goods can be promoted or obstructed to a certain extent because of the good work or bad work of the foreign trade organisms. We stress this, because, these are cases where, because of a perfunctory work by some foreign trade organs and workers, the material and technical supply of the various sectors of the production and of services is carried out with delays, goods of poor quality are imported, the expenditures for the satisfaction of the urgent requirements of production are increased, or there is a slow circulation of goods for export in warehouses and ports, caused by the failure to insure, on schedule, the material and technical base; all this, in general, creates difficulties in the regular fulfillment of the tasks in production and in the regular supplying of the markets.

These shortcomings and weaknesses have their source, among other things, in the poor knowledge of and in the continual failure to know the needs of production by some workers of the import sector, as a result of the lack, in some cases, of close relationships in production, a result of being isolated in offices, and of insufficient work in regard to the training and specialization of the cadres.

The foreign trade workers are not simple executors of contracts. One of their main concerns must be the promotion of production and the satisfaction, on schedule and with good quality, according to plans, of its needs and requirements with a material and technical base and with raw materials. Seeing the problem from this vantage point, it is necessary for the foreign trade workers to maintain a living contact, as fruitful as possible, both with those who produce for export and with those who use materials from import, so as to acquaint themselves with their concerns, to satisfy their needs, and to help them fulfill their tasks. This contact must be systematic and uninterrupted and not only when deficits are created, when the deadlines are violated, when the quality is damaged, when difficulties are created in the material and technical supplying process, and so forth.

Of course, such an attitude must characterize the work method of the production cadres. The practice of some of those who go knocking on the doors of the foreign trade organs only when the latter are late in delivering raw materials and machines, while they show very little concern for the problems

linked with the improvement of quality and of assortments, with the improvement of the quality of the goods which they produce for export, and with the sale of these goods in the international markets; is a harmful one just as harmful is the tendency of some production workers to deliver, by all means, to the foreign trade enterprises, the goods they have produced, even when these goods do not respond to the set standards.

As a result of the measures which have been taken, cooperation and coordination of work between the production sector and foreign trade organs has been increased and improved. For example, Agroexport has organized its work so well that tomatoes, early potatoes, and other fresh vegetables are delivered as near as possible to the collecting centers. This fact has been one of the reasons why the vegetables export plan for the first semester of this year was overfulfilled. Now, the workers of the Albkontrol department are no longer in the position of simple certifiers of the quality of goods, when goods are ready for export; on the contrary, they are expanding their control better and better over all links of the process of production, thus, preventing, on time, the production or collection of goods of poor quality. The control over imported goods has also been improved. Good experience in work also exists in other foreign trade enterprises. It is essential to understand and correctly execute Comrade Enver Hoxha's recommendation at the Eighth Party Congress that "the noticeable increase of the volume of exports and imports, and the fulfillment of the great tasks in this sector, require that the activity of the foreign trade organs, their professional capacity, and their ability to orientate themselves in every situation be improved in a noticeable manner and increased to a higher level" (Enver Hoxha, "Report to the Eighth Congress of the Albanian Workers Party," p 49).

One of the main factors for further improving the method of management of foreign trade is the expansion of the study of the essential problems linked with the improvement of the effectiveness of trade. The time has come for a broader range of problems, which are linked with the further improvements of the effectiveness of our exports and imports, to become the object of complex studies, such as, for example, the study of the requirements of foreign trade for our export goods, now and in the future, and the study of our material and technical possibilities for producing them and for increasing and improving the structure of goods and their quality. Very valuable studies can also be undertaken to determine the most suitable time for putting our exports goods on the market, for concluding contracts for our imported goods, and for the better profitability and utilization of our sea and automobile transportation, and so forth. It is necessary that workers of other government departments, of the production enterprises, and finance also show the concern for the execution of these complex studies.

The present level of development of our foreign trade requires that a radical shift be carried out in the types and forms of our advertising. The foreign trade bulletin treats many actual problems; but, the bulletin can deal more with the organization of scientific discussions. It is necessary to increase and enrich special publications in foreign languages, booklets, catalogues, pamphlets, etc., in order to advertize the articles of our export and the success achieved by our foreign trade.

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CSO: 2100/4

RAW MATERIAL RECYCLING PROGRAM IN CSSR DISCUSSED

Prague PLANOVANE HOSPODARSTVI in Czech No 8, 1982 p 45-56

/Article by Eng Jaromir Lichnovsky, State Planning Commission: "Raw-material Policy of the CSSR and Secondary Raw Materials"/

/Text/ Significance of Recycling Programs

In every industrially advanced country the importance of secondary raw materials is constantly increasing and their monitoring is becoming an indispensable part of each country's raw material policy. In the seventies, the entire world had to reassess its approach to this problem. The era of waste of raw materials is ending, particularly because of the energy crisis underlined by the so-called oil shocks of the years 1973/74 and 1979 when the prices for various types of energy increased sharply and grew at a somewhat slower rate in the case of other raw materials.

emphasis on improved utilization of secondary raw materials is an objective phenomenon and is due to:

- limited availability and depletion of accessible natural sources, including the possibility of exhaustion of some sources of primary raw materials and energy;
- growth of industrial production and the consequent increased demand for materials in both advanced and developing countries;
- higher economic effectiveness of utilizing secondary raw materials in comparison with substitutable primary raw materials;
- the technological necessity, in some cases, for using secondary raw materials in certain production processes;
- reducing the demand on foreign-exchange resources and, eventually, the need for credit in procurement of primary raw materials;
- efforts to reduce the consumption of energy in processing sectors, which is substantially lower with the use of secondary raw materials than with extraction and processing of primary raw materials;



--the ecological aspects of the problem of protection of the environment that in their essence constitute a threat to mankind itself.

The mentioned factors wield their effects in both industrially advanced socialist and nonsocialist countries.

No country in the world is rich enough to be able to afford not using secondary raw materials to the maximum extent. And that applies even more to countries that are poorer in natural sources of primary raw materials and depend on foreign sources of raw materials.

For example, an American study from 1980 ("Global Report On Year 2000"), compiled at the behest of the former U.S. President, J. Carter, shows the following dependence on importation of raw materials and the envisioned annual average increases in demand until the year 2000:

Raw Material	Coverage of Consumption by Imports in 1976 (%)				1985-2000 Percentage of Annual Increase in Worldwide Demand
	U.S.	EEC	Japan	USSR	
Bauxite	86	50	100	44	4.29
Chromium	90	95	95	0	3.27
Copper	16	99	93	4	2.94
Iron ore	35	85	99	0	2.95
Lead	12	85	78	24	3.14
Manganese	100	99	90	0	3.36
Nickel	61	90	95	0	2.94
Tin	75	90	90	22	2.05
Zinc	60	74	63	13	3.05

NOTE: The study envisions a 5 percent growth in prices of raw materials from 1980 (in fixed 1970 prices in dollars) till the year 2000.

With its advanced and widely developed industry, on the one hand, its uncomplicated raw-material base and not too rich natural sources of raw materials, on the other hand, the CSSR belongs among those countries which must import a considerable volume of raw materials, fuels and energy--in 1980 in a total amount of approximately Kcs 40 billion, all charges paid.

The CSSR extracts annually roughly 350 million tons of mineral raw materials, having a 0.5-0.6 percent share in worldwide extraction, occupying from 3rd to 18th place (according to various sources) in the production of mineral raw materials per square kilometer and 10th to 45th place in per capita value.

In the course of the economic renewal process and through the consumption cycle are generated considerable amounts of solid, liquid and gaseous wastes as is also the case in extraction (processing) of accompanying raw materials, which applies to all branches of the national economy. In their sum, they represent sources of secondary raw materials which even now account for a significant share of raw materials in the Czechoslovak national economy, an additional potential unused resource for improved utilization of resources toward increasing the overall economic effectiveness of our economy in the long-term outlook.

Transition of the Czechoslovak economy from extensive to intensive development has as its prerequisite reduction of the demand for materials and elimination of waste in the use of energy and raw materials. After all, the share of cost of materials alone in the overall costs in Czechoslovak industry in 1980 amounted to approximately 84 percent; in the USSR it represents 80-85 percent and in the GDR 76 percent. Since waste is an inseparable part of material costs, its economic utilization is an important task of the national economy.

However, from the economic viewpoint, in long-term outlook it is desirable to curb the amount of wastes to the limit of technological feasibility, or introduce technologies producing little or no waste.

Production of solid wastes in the CSSR is currently estimated at 75 million tons annually with the following breakdown: approximately 20 million tons are energy wastes (flue ashes, cinders, slag, etc.); 35 million tons are wastes from various industrial branches, to include wastes (not counting coal) in extraction and processing (scrap metal, slag, sludge, pollutants, etc.); 3-3.5 million tons are residential refuse (95 percent of which goes to disposal dumps); and 15-18 million tons accrue to agriculture and the food industry. In addition, there are approximately 350 million tons of wastes from mining and processing of coal.

The CSSR uses approximately 25 million tons of wastes of all kinds and their value can be estimated to amount to roughly Kcs 20-25 billion annually, all charges paid, of which metals alone represent Kcs 13 billion, all charges paid (in 1980 prices on the world market).

From the viewpoint of value, the most important item in secondary raw materials in the CSSR are metals which, moreover, lend themselves to complete recycling and are fully comparable to primary metals, which cannot be said of other secondary raw materials.

The significance of secondary raw materials for the Czechoslovak economy is documented by a more closely itemized table of CSSR sources for 1980 including selected items (value in all charges paid 1980 prices and energy potential):

Wastes	Procurement and availability of secondary raw materials in 1,000 tons	Value in billions of Kcs, all charges paid	Energy consumption in kWh/t			Total saved %	Share of procurement in total consumption %
			from primary raw material	from secondary raw material	savings per ton		
Scrap iron	7,928	7,928	4,270	1,666	2,604	61	49
Aluminum	42.21	1,266.3	65,000	2,000	63,000	97	21
Copper	55.19	2,086.2	13,500	1,700	11,800	87	51
Lead	38.62	598.6	9,500	500	9,000	95	66
Zinc	11.29	158.1	10,000	500	9,500	95	16
Tin (t)	300	80					8
Total metals		12,117.2					
Paper	410.83	506.6	5,712	4,198	1,514	27	34
Textiles	126.3	132.9					
Broken glass	90.0	81.0	5,060	2,868	2,192	43	
Rubber	90.0	118.4	13,310	2,770	10,540	79	35
Plastics	70.0	297.8	11,923	704	11,219	94	8
Total nonmetals		1,136.7					
Great total		13,253.9					

NOTE: Scrap iron share was computed from total production of steel and cast iron.

Evaluation of the demand on energy in production with the use of primary and secondary raw materials used data compiled from various sources that partially differ, among other things, in use of technology and specific raw materials included in the assessment. However, their order of difference is insignificant. In addition to these selected secondary raw materials, the CSSR processes a number of still other secondary sources and byproducts. For example, in production of pig iron during 1980, processing of ores was supplemented by approximately 600,000 tons of iron from slag, sludge, pollutants, scale, etc. A significant share in savings of foreign-exchange resources is constituted by the approximately 18 tons of silver and 74 kg of precious metals from collection.

#### Current State of Utilization of Secondary Raw Materials

Assessment of the current state in utilization of secondary raw materials must take into consideration that it involves three sources of a differing character—from the production process, processing and collection. The situation in using secondary raw materials originating as wastes from production processes is more favorable in view of their specifics (concentration in a certain place, clean state, regular quantities, etc.). Problems are encountered rather in their processing technology. Wastes from

processing originate almost in their entirety from organizations engaged in their collection, which were authorized to procure and collect secondary raw materials. They also procure consumer refuse generated through liquidation of basic assets, /left over/ materials from their repair and secondary raw materials from residential collections. It involves secondary resources which are considerably mixed and are difficult to process.

Most secondary raw materials are generated in production, due to technological or other reasons (rejects, etc.). Only scrap steel and cast iron--be it of production, processing or consumer origin--are accounted for on a nationwide bases. Records of other wastes are kept through collection agencies which collect primarily only raw materials originating in processing and liquidation of basic assets and objects of durable or short-term use.

To facilitate accurate processing and recovery of secondary raw materials, the CSSR Government through Resolution No 253/1980 ordered a nationwide statistical survey in 1982 of the amount, composition and utilization of solid wastes.

Recovery of secondary raw materials is based on the principles of monopolization, specialization and areal jurisdiction. The following enterprises have been authorized to conduct it:

--procurement of industrial scrap metals and preparation of industrial and nonindustrial scrap metals is provided by the Kovosrot national enterprise (a Scrap Metal Industry fiduciary association);

--procurement of industrial textile wastes is provided by the Retex national enterprise in Ivancice;

--procurement of all other (except liquid) secondary raw materials (i.e., including scrap precious metals, nonindustrial scrap metals and nonindustrial textile wastes) is provided by the Raw Material Collection national enterprise;

--used mineral oils suitable for recycling are supplied from all socialist organizations to Chemopetrol. Collection and procurement from the population is minimal.

Up to 1960, the Raw Material Collection enterprise was controlled on a nationwide basis by the Ministry of Industry; as of 1961 its management was transferred to KNV /regional national committees/ and the control function was taken over by the national ministries of the interior's central organs of local economy. In 1966, the Fiduciary Association for Raw Materials Collection was established.

It follows from the above that since 1961 the problems of collection and utilization of secondary raw materials have not been under federal control (from one point), and that also does not provide for optimum development of this raw material area. Its organization and management in the CSSR basically differs from other socialist countries where management is centralized and under the jurisdiction of central authorities for the national industrial distribution system.



Thus, neither is the approach to utilization of secondary raw materials dealt with from the viewpoint of the national economy and there are indications of departmental and sectoral interests. In some cases, it is of more advantage to the producer to process primary raw materials (due to problems of a technological nature, etc.). It can also be assumed that for that reason some production organizations will keep showing no interest in utilization of secondary raw materials; that will have to be overcome by use of economic incentives or by promulgation of directives.

#### Recycling of Some Important Secondary Raw Materials

Secondary raw materials constitute a part of the domestic base of raw materials and are of constantly increasing importance during the current tense situation in meeting the demands of Czechoslovak industry for raw materials. Several industrial sectors are dependent on development of this branch, as secondary raw materials represent for them resources which, in comparison with primary raw materials, allow them to achieve socially beneficial savings in fuels and energy, in importation of primary raw materials, financial resources and maintenance of ecological balance in nature. The overall situation in the area of raw-materials management, be they imported or domestic, indicates that there is a need for paying maximum attention to these problems, not only from the viewpoint of their maximum utilization, but also that of utilization of secondary raw materials, to include those that have been overlooked or inadequately recovered up to now.

#### Ferrous Metals

In the Czechoslovak metallurgical industry the share of scrap iron in the charge for production of 15.225 million tons of steel in 1980 was over 40 percent; pig iron obtained from iron ore and from approximately 600,000 tons of secondary iron (from slag, sludge, scale, etc.) represents the rest. The foundry industry used iron as well as scrap iron (two-thirds of the total amount) for production of 1,163,000 tons of castings from grey, nodular and malleable cast iron in 1980.

#### Collection of scrap steel and cast iron in 1980:

Total		7.928 million tons	100 percent
of which from:	production	4.336 " "	55 "
	processing	1.492 " "	19 "
	consumption	2.100 " "	26 "

The level of our metals inventory, which in the same year amounted to approximately 100 million tons, which represents 6,420 kg per capita, makes us one of the leading countries in the world. However, the machinery life span is approximately 27 years, i.e., at least 10 years longer than in other industrially advanced countries. Its reduction would considerably contribute to availability of scrap iron in the CSSR and accelerate replacement of the machinery pool that became out of date through wear and tear as well as obsolescence.

Additional utilization of iron from slag, sludge, power plant flue ashes, etc., could on the long-run provide an additional 400,000 to 500,000 tons of iron per year, however, at considerable investment costs.

#### Nonferrous Metals

From the viewpoint of demand for primary nonferrous metals, we are almost entirely dependent on imports, as the domestic raw material base covers in five selected metals (without nickel, as its ores are not mined in the CSSR) only 5-18 percent of total consumption. Prices of nonferrous metal keep increasing and increases are occurring in the share of their procurement from nonsocialist countries. These circumstances provide a strong economic stimulus for recycling and reclaiming. Secondary raw materials of nonferrous metals are an important source for their production.

Only nonferrous scrap metals that have gone through a refining process are used in production of technically pure metals. Other scrap is used in production of castings and other alloys.

Technological scrap from production constitutes the major part in each country. However, data regarding scrap in the CSSR include only deliveries made through Kovosrot and its branches and involves primarily scrap from processing and from consumption. Scrap from production should increase the overall amount of collections and consumption of nonferrous metals. We are talking of an increase on the order of 10 to 20 percent, which will be probably clarified by the statistical survey of secondary sources in 1982 now in preparation.

#### Waste Paper

Production of paper, cardboard and paperboard in 1980 amounted to 1,189,500 tons which, taking into account imports and exports, amounts to approximately 78 kg per capita in the CSSR.

Waste paper constitutes an important raw material for the paper industry. The Sberne suroviny enterprise procured paper in the amount of 410,800 tons in 1980, 319,000 tons in the CSR and 91,800 tons in the SSR. Of the overall volume, collections from the populace amounted to 282,800 tons, i.e., 68.8 percent. Waste paper generated by the paper industry itself amounted to 59,700 tons.

The major part of waste paper is processed in the production of paperboard. In 1980, 235,000 tons of waste paper were processed in production of 296,000 tons of paperboard, involving primarily low-quality paper and cardboard. The clean, unprinted and unmixed waste paper (mostly industrial waste) replaces primary fibers, i.e., mechanical wood pulp and chemical pulp.

Most deliveries of waste paper to paper mills contain so-called unsorted collections, which does not facilitate utilization of some of the better types of it contained in these deliveries. Other problems in processing of waste paper are encountered where paper and paperboard are combined with synthetic substances.

Due to a shortage of processing capacities in the CSSR, the Sberne suroviny enterprise in 1980 exported about 17,000 tons of waste paper, which represents only partial utilization of a secondary raw material. Processing of the still-exported waste paper would call for installing in the CSSR a board machine with a capacity of 100,000 tons of paperboard to include processing. That calls for very high investments--on the order of approximately Kcs 2 billion--and importation of machinery. That makes it necessary to carefully consider all potential overhauls of existing board machines with the objective of achieving higher production and utilizing all domestic waste paper.

Even though all waste paper is still not fully processed in the CSSR, efforts must be developed to that end with emphasis on improving the quality of collection. Sorting of waste paper at the source or during concentration in collecting points is one of the basic prerequisites for its improved utilization in the production of paper and paperboard.

We lose over 400,000 tons of waste paper in solid residential refuse (3-3.5 million tons annually in the CSSR), because approximately 95 percent of residential refuse is directly disposed of in dumps without any further use.

It is estimated that 1 ton of waste paper replaces 2.51 solid cubic meters of wood. Its heating value has been assessed to be 14-15 MJ/kg [megajoule per kg]. Thus, we lose both a valuable raw material and expensive energy.

#### Scrap Glass

Most scrap glass (broken glass) that is currently recycled originates from technological waste and broken glass generated by glassworks. The exact amount is unknown. In 1980, public collections procured 35,300 tons of broken glass with priority destination for production of container and packing glass. The glass industry is capable of processing a substantially higher amount--its annual demand is approximately 90,000 tons and can increase up to 124,000 tons by 1985. Broken glass is used as the initial material in production of glass.

It will be necessary to resolve the economic relations regarding the effectiveness of using broken glass in the glass industry, and do so not only from the viewpoint of the prices of the priority raw materials being replaced and energy savings.

Producing of 1 ton of vitrified substance by melting for the production of stained container and packing glass requires 483 kg of glass sand, 144 kg of calcinated soda, 50 kg of magnesian limestone, 67 kg of calcite, 40 kg of ground phonolite, 16 kg of Glauber salt, 5 kg of calcinated pyrites, 32 kg of chromium slag, 100 kg of broken white glass and 50 kg of broken stained glass. With a shortage of broken glass, the need for the remaining materials increases, some of them having to be imported, the service life of glass tanks is shortened, increasing in turn the consumption of materials for their construction. That would call for larger scale use of zirconium products, which represent a very expensive imported material that is not easily available, as construction material. It is estimated that the service life

of glassmaking sets at a 25-percent charge of broken glass is 16 months, which is prolonged by 25 percent to 20 months with an optimum charge of 40 percent. Broken glass also saves 80 cubic meters of gas per ton.

Solid residential refuse in the CSSR contains approximately 10 percent of broken glass, which represents 300,000 to 350,000 tons. Shortage of collection containers contributes to the slow rate of collection and procurement of broken glass.

### Plastics

There are two basic types of plastics. The first, so-called thermoplastics, can be plasticized and reshaped in the recycling process and represent the main part of consumption. The second group, so-called thermosetting plastics, can be irreversibly hardened by curing so that their potential for recycling is limited and can be used as fillers or as a source of energy through combustion (9-18 MJ/kg). Pyrolysis of plastics can be controlled so as to obtain products similar to those generated in crude-oil distillation, i.e., methane, ethane, ethylene, propylene, benzene, toluene and others.

In 1980, the CSSR produced 919,200 tons of plastics and synthetic resins. A considerable part of technological and industrial waste of the total volume of 70,000 tons is already being recycled, and the most suitable utilization is being sought for 40,000 tons. Procurement of plastics through collection agencies amounted in the same year to 77,000 tons from industrial organizations with a share of 4-5 percent accruing to household refuse. Their exports amounted to 5,500 tons, even though 1 ton saves 2.5 tons of petroleum. Thus, the current state of utilization of secondary thermoplastics and interest in them by processors causes considerable concern, as does the state of inadequate research into utilization of this secondary raw material.

Some positive trends are appearing in processing of plastic wastes at the Regena plant in Olomouc-Krelov in production of conveyor belts for mines, and at the Sberne suroviny enterprise in Bratislava (Recyplast) which has put out regranulated plastic in a total volume of 6,500 to 7,500 tons a year.

### Waste Rubber

Products made of rubber accounted for 260,000 tons in 1980 and procurement through collection agencies amounted to 13,600 tons. A significant problem is posed by disposal of the annual proliferation of wornout tires in the country estimated at 90,000 to 100,000 tons. Only about 15,000 tons of tires are reprocessed for use in rubber stock compounds. At the same time, production of 1 ton of tires calls for approximately 3.5 tons of petroleum.

Manufacture of rubber products requires an energy of 156 MJ/kg, but with the use of waste raw materials only 32 MJ/kg (1 TMP /ton of standard fuel/ = 29.3 GJ /gigaJoule/). Everything points toward using wornout tires unsuitable for further retreading for generation of raw materials or as a source of energy (burning of 1 ton of tires saves approximately 530 kg of heating oil). They can be used in production of thermal insulation substances in construction, for modification of asphalt, etc.



## Secondary Raw Materials for Textiles

Data regarding textile wastes for 1980 (in 1,000 tons) are as follows:

Industrial collection	104.9
Public collection	21.4
Total	126.3
Of which: textile mill wastes	69.9
scutching mills for flax/hemp	56.4

Progressing chemization makes further increases in utilization of secondary raw materials for textiles more complicated than was the case in the past when primary raw materials were formed exclusively by natural fibers. The share of textiles made of a combination of natural and synthetic fibers is increasing. Textile waste containing primarily synthetic fibers can be used in the paper industry for new types of products, in production of insulation boards for construction, etc. By 1985, the incidence of secondary raw materials for textiles could increase to approximately 140,000 tons (i.e., 11 percent over 1980).

## Flue Ashes from Power and Heating Plants

The overall amount of ashes generated by combustion of coal is very high in industrially advanced countries, as can be seen from the following outline based on the state in 1974:

<u>Country</u>	<u>Ashes in millions tons</u>	<u>Country</u>	<u>Ashes in millions of tons</u>
USSR	approx. 70.00	GDR	13.34
CSSR	15.09	Poland	12.06
USA	53.98	England	11.80
FRG	13.60	France	4.61

If we compare the amount of ashes generated per capita and per territorial area, we are faced with the fact that in either case the CSSR is in first place. That distinct but undesirable prominence was achieved simply by the burning of poorer quality lignite. Mineralogically speaking it can be divided into three fractions--nonmagnetic share, magnetic share and intermediate product. Flue ashes can be assessed to represent unconventional secondary mineral raw materials. For example, the United States burns annually around 650-700 million tons of coal, generating 8-10 percent of ashes. The value of metals contained in ashes amounts to, according to American sources, \$350 billion, under the assumption that all of the metals (about 12) could be fully recovered. In addition, ashes find use mainly in construction, road construction and in agriculture.

CSSR Government Resolution No 31/1977 was adopted for utilization of power plant ashes in construction, but its implementation made no significant advances. Current stockpiles of ashes in power plants in the CSSR amount to roughly 140 million tons, in metallurgical plants to over 121 million tons of cinders and other wastes in old dumps, in ore mining and the magnesite industry

over 181 million tons of solid wastes, etc. By the year 2000, their weight will increase two-to threefold. From the ecological viewpoint it will be necessary to tackle this significant problem as soon as possible.

#### Solid Household Waste

Solid household waste represents an independent and very extensive problem area. In 1980, community refuse amounted to 3 to 3.5 million tons. Its disposal costs Kcs 1.5 to 2 billion annually. Approximately 95 percent is disposed in controlled or "illegal" dumps and only 5 percent are utilized.

The annual losses sustained by our society can be seen from the following comparison of the structure of solid household refuse (in percent):

<u>Material</u>	<u>Moscow</u>	<u>Paris</u>	<u>Budapest</u>	<u>FRG</u>	<u>USA</u>	<u>CSSR</u>
Paper	35.7	37.41	37.0	20.0	35.1	13.7
Metal	5.8	4.14	3.3	4.0	8.1	13.2
Textile	4.0	3.05	3.15	2.0	1.9	2.2
Glass	6.5	9.10	6.0	8.0	8.1	10.0-13.0
Plastics	1.3	3.13	5.5	2.0	1.1	4.0- 5.0

The cost for disposal of 1 ton of communal refuse represents approximately Kcs 500, further infringements on agricultural soil, communal refuse stored in dumps represents losses of secondary raw materials in the amount of about Kcs 0.8 billion and considerable deterioration of the environment.

Even though recycling of municipal refuse is fairly strongly promoted in technical literature, the fact is that its practical implementation in the world's industrially advanced countries and with long-term increases in the price of raw materials is limited. The reason for the relatively low rate of recycling is primarily high investment cost which is many times higher than for incineration plants.

#### Selected Findings About Management of Secondary Raw Materials in the GDR and USSR

Party and governmental authorities in the GDR have been devoting extraordinary attention to maximum utilization of secondary raw materials. Their management comes under the jurisdiction of the ministry for material management headed by the government's deputy premier.

The GDR at the present accords more significance to secondary raw materials than to use of primary raw materials. Its entire economic policy and scientific research tasks are oriented toward that approach with full support by party organs at all levels. It is initiated and implemented by resolution of the highest organs of the party and GDR Government and their implementation is systematically controlled. In addition to specification of the tasks in the state plan by directives, extensive use is made of pricing measures as economic tools for procurement and utilization of secondary raw materials. An important role is played by investment policy. Another administrative measure is control of demands by production enterprises for allocation of primary raw materials, primarily from imports. In this respect, economic propaganda carried by all communication media is very effective.

Generation of domestic secondary raw materials amounts to less than one-fourth of all costs for primary raw materials in the GDR. Of the 450 possible types of secondary raw material items, the state plan and its provisions monitor 73. Secondary raw materials cover 10 percent of the state plan balance of the total volume of required raw materials, which represents a value of 4.8 billion marks.

In the USSR, comprehensive utilization of secondary raw materials also receives a great amount of attention by the highest organs of the party and government. The USSR State Planning Council already has a department for utilization of secondary resources which jointly with the USSR State Council for the national distribution system will be responsible for their management.

In 1981, the state plans of Soviet ministries, authorities and individual regions listed a new section--"Utilization of Secondary Raw Materials." It stipulates the tasks for collection, procurement and processing of wastes from production and from other sources. Limits of means to be expended on construction and overhaul of procurement and processing plants are subject to approval.

The problems of secondary resources are also centrally administered in other CEMA countries with use of all the requisite economic tools and the state plan. These problems are dealt with in CEMA organs, but they should become an integral part of the agenda of all permanent sectorial committees.

#### Selected Problems in the CSSR

The legal modification of 1960 (basic regulation) regarding secondary raw materials was viable for its time and formed an effective basis for development and acquisition of secondary raw materials in the CSSR. However, it is starting to lag behind the dynamic development of consumption and the pressure on utilization of secondary sources of raw materials, losing effectiveness in the process.

The technological production base is not ready for increased utilization of secondary sources, which is reflected in the low technical level as well as inadequate capacity of collection, preparatory and processing branches.

The organizational structure is splintered and inadequate and has no analogy in CEMA countries. Management of secondary raw materials is not centralized and knowledge regarding their origin and utilization is unsatisfactory in almost all sectors.

There is a failure to apply a flexible price policy--prices of secondary raw materials have not changed for decades. Only lately have some visible advances been made in this area; however, the proposal for establishment of a centralized price-control fund and its utilization for operative changes in procurement prices in the coming years, etc., still has not been adopted.

There is a lack of a long-term concept for development and utilization of secondary raw materials in a systemic sense (economic renewal process, environment, social development, investments, etc.).

There still remains a long list of problems that will have to be dealt with in the immediate future as well as in the long-term outlook.

#### Secondary Raw Materials in the Seventh 5-Year Plan and in Long-Term Outlook

Continued development of the national economy will require that primary attention be concentrated on the problems pertaining to raw materials. This will involve not only making maximum use of raw materials, but, and primarily, identification of domestic sources of raw materials, to include secondary raw materials. However, the problem is whether it might not be advisable to deal with the problem of raw materials (domestic and imported) on an overall scale, both from the viewpoint of their utilization and their management.

Viewing the overall situation in providing raw materials, fuels, energy and metals for the needs of the national economy, secondary raw materials will be strongly increasing in importance in the Seventh and subsequent 5-year plans and with them also pressure on their acquisition (not just from the viewpoint of the volume of already known raw materials, but also from the viewpoint of identifying heretofore unused sources of raw materials). For that reason, already in finalizing the Seventh 5-Year Plan emphasis must be placed on seeking new, more effective forms and approaches to their identification and collection, as well as utilization of secondary raw materials.

At the same time, however, we must realize the fact that Czechoslovak industry is, for the most part, inadequately oriented toward their processing. Also the technically inadequate equipment of collection points of Kovosrot and other organizations, primarily for collection of broken glass, etc., (containers, means of transportation and loaders) does not create sufficient prerequisites for exploitation of sources. Technical development is imbalanced and does not meet the needs of a modern sector of raw materials, which is essentially constituted by organizations engaged in acquisition of secondary raw materials.

It must be kept in mind that the intensity and effectiveness of utilization of secondary raw materials in industrial processing sectors is affected by:

- the production capacities of processing sectors, eventually by changes technological processes;
- the quality of some raw materials in connection with introduction of new products or technologies with adverse effects on potential reuse of waste as a raw material.

A significant economic contribution to dealing with raw material problems in the Seventh 5-Year Plan is represented by identification of secondary raw materials in inefficiently disposed of wastes, to include disposal dumps. They are used only to a small extent by picking out scrap iron or nonferrous metals. These are merely random cases depending on the willingness of individuals to add to their income by "extraction" of raw materials from these sources. This activity is not controlled and is essentially at variance with the provisions of the civil code regarding the legality of gaining possession of an "abandoned" thing.



The worldwide situation in fuel and energy sources as well as in raw materials is developing in such a manner that wastes could become the primary sources of raw materials in the future. According to estimates of trends in the economic development of advanced countries, this prediction might materialize before the end of the 20th century. According to a study sponsored by the United Nations, by then all possibilities for recycling substances, which could amount to approximately 55 percent of their original volume, will have been used to the utmost.

Continued increases in the price of energy and raw materials, together with fast deterioration of the environment, deepening ecological imbalance and the end of the era of "cheap raw materials and energy" could actually bring about a basic reversal in the approach to secondary raw materials. We must make preparations even now before we are confronted with the fact that in the future there will be but miniscule increases in primary mineral raw materials, to include fuels and energy, and that the key factor for effective development of the national economy and transition from extensive to intensive development will call for maximum utilization of all accessible secondary raw materials in the CSSR and economic management of fuels, energy, metals and other raw materials.

In the case of nonferrous metals, the processing cost in their production from scrap amounts to only 10-15 percent. It is estimated that investments for construction of facilities for processing of wastes amount to only 15-25 percent of investments required in construction of capacities for processing ores or concentrates. An analogous conclusion applies with a certain amount of modification to the remaining secondary raw materials.

#### Outline of Systemic Measures for Maximum Utilization of Secondary Raw Materials

Achieving of maximum utilization of sources of secondary raw materials in the CSSR calls for:

a. updating Government Directive No 68/1960 of the Codex and drafting a law regarding management of secondary raw materials that would regulate the following basic problems:

- recordkeeping and balancing of sources of secondary raw materials;
- obligations of organizations at all stages of recycling processes and the duties of citizens;
- incentives and sanctions designed to achieve maximum recovery and utilization of secondary raw materials;
- a control system;
- structure for management of secondary raw materials;
- relations between organizations, etc.;

- b. expanding the network of collection points for secondary raw materials, particularly in areas and localities where their occurrence has not been adequately exploited;
- c. providing machinery for handling of secondary raw materials, primarily for mechanical loading of heavy loads, innovation of handling equipment including means of transportation, compacting techniques, etc.;
- d. involving economic and technological research institutes as well as institutions of higher learning in dealing with these problems, with the objective of thoroughly analyzing the field of secondary raw materials, pointing out additional possibilities for their comprehensive utilization, both from the viewpoint of those that are currently being collected, as well as from the viewpoint of collection and utilization of new raw materials, to include processing technologies;
- e. creating the prerequisites for methodical, organizational and legal management of the sector of secondary raw materials at federal level.

From the state-of-the-art in this field it follows that the present situation in utilization of secondary raw materials does not make it possible to meet the needs of the national economy in the requisite amount and thus contribute to solving the problems in the area of raw materials. Only through implementation of organization, economic, technical and minimum investment measures is it possible to activate this vast domestic base of raw materials. Implementation of measures seeking to improve management of secondary raw materials should make use primarily of experience and findings made in the GDR and USSR.

The importance of secondary sources in the CSSR is fully substantiated by resolutions of the 16th CPCZ congress, wherein the document "Key Directions of Economic and Social Development of the CSSR for the Years 1981-1985" stipulates:

- increase use of secondary raw materials and more effectively manage their collection and utilization;
- orient research and development efforts primarily toward dealing with tasks designed to improve utilization of unconventional and secondary sources of energy.

Systematic implementation of resolutions of the Presidium of the CPCZ Central Committee and of the CSSR Government for improving the system of management of the national economy as well as gaining a thorough understanding and adoption of the set of devised measures is an important path to improved utilization of secondary raw materials in the CSSR as well.

8204  
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## INCREASED SOWING ACREAGE TO BOOST SLOVAK GRAIN PRODUCTION

Prague HOSPODARSKE NOVINY in Slovak 8 Oct 82 pp 1, 6

[Article by Jan Janovic, minister of agriculture and food of the SSR:  
"Accounts for Autumn and Prospects for 1983"]

[Text] For agriculturists and food producers the autumn season has become in recent years even more demanding than the harvest of grain crops. This is most significant particularly for decisionmaking both in the ministry headquarters and in individual enterprises. In fact, autumn is the main season for sowing which is of decisive importance for balanced nutrition in the following year. It gives us some idea about the amount of raw materials for food produced on our land. Considerable amounts of fodder still remain in the fields and we can gain much by reducing its waste. Also, we may obtain better values from smaller volumes by good conservation methods. For that reason, we pay special attention to this season and regard every day wasted by our workers, machinery or managers as an antisocial act.

## Bottlenecks in Crop Production

The accounts concerning the densely sown summer grain crops, legumes and rape give us more specific information about their yields in the SSR. The unfavorable weather during the spring months and before the maturation of the crops caused yields of such crops to fall below our judicial estimates based on the crops that had survived the winter in good condition. We therefore appreciate the prompt decision of our federal government to make up for the shortfalls in grain and oleaginous crops in order to meet the livestock production stipulated in the plan for 1983. Our agriculturists will respond to this aid by more economical feeding, by rational replacement of grain by bulk fodders and by other measures in individual enterprises. The development in world grain markets has signaled further problems and tensions as concerns the supplies of grain and the production of fodder mixes. Under such circumstances, we shall be able to fulfill the task of self-sufficiency in grain production, stipulated by our party leadership only by cultivating more grain crops. Therefore, for 1983 we envisage even further increases in the acreage of grain crops harvested in the SSR, naturally, without tampering with the agrotechnical principles of crop rotation. This is the only way to produce more meat, milk and eggs in 1983 and in the following years.

Although the sunflower harvest appears excellent, we must compensate for a certain shortfall in the production of rape by additional imports. In the future, even under these circumstances we shall not enjoy the luxury of increasing the production of vegetable oils at the cost of higher imports because that would come back to our agriculture like a boomerang in the form of restrictions on foreign currency for imported fodder components, agrochemicals, machinery and other needs. If we wish to eliminate such an unfavorable "feedback" we must increase the production of oleaginous crops by at least one-third over the average in the next few years. Hybrids of winter rape with the lowest contents of erucic acid (under 2 percent) will be sown over its entire acreage. Qualitative changes in the hybrid structure of winter wheat will favor the most productive hybrids, such as Vala, Kosutka, and hybrids newly developed in Bucany and Solare.

#### A Turn in Milk Production and Consumption

In our domestic market, the importance of milk in livestock production has greatly increased, and for that reason we consider it our primary task to introduce a change in its production as soon as possible. Milk production must be more emphatically intensified because the extensive method is the least economically justifiable in this sector.

On all levels of management, we must now draw our decisions more consistently on the economic point of view, on the most efficient method to cover the nutritional needs of our population, and on the criteria of foreign markets, which follows from the fact that the key role of our national economy, including the agricultural-food-production complex, is to reduce the balance of our foreign trade with nonsocialist states.

The need to base our decisions on economic calculations and conversions of accounts is greater today than ever before. According to the Set of Measures, in agriculture our enterprises have acquired far greater latitude for their own decisionmaking about what they will produce, with what, and how they will cover the needs of our society. All our measures and decisions try to introduce the viewpoint of economic efficiency and to improve production and resolve technical problems by means of assessment of the cash value. In this effort, however, we have not found thus far appropriate understanding either on the level of enterprises or the middle link of management. Employees of administrative management who learned to think and estimate according to natural indicators were not overly concerned about costs and economic results. Our efforts to balance methods for eliminating problems in production and to make it more economical will call for much more work, and here we have much to learn.

For instance, in all probability most of our officials in enterprises and in middle sectors of management have first reacted to the demand for higher production of beef as follows: "We must expand the acreage for cultivation of fodder crops on arable lands, mainly to the detriment of grain crops." It may be true that preconditions for a faster growth of beef production could be achieved by expanding the acreage for cultivation of fodder crops, however, if we take that acreage away from grain crops, we shall reduce their production



and thus, also the production of pork, to such an extent that total meat production will drop. As it appears from more detailed calculations, such a change in the acreage would reduce pork production twice as much as it would raise beef production. Therefore, although at the first sight it may seem quite logical to demand that the task in beef production be resolved by expanding the acreage of fodder crops, more thorough calculations and economic analyses prove it to be disadvantageous in terms of total meat production.

Expanded cultivation of intermediate crops, summer and winter fodder mixes, better processing and conservation of hay, silage, and better utilization of straw, corn husks and other waste materials in crop production represent the unused main assets for higher production of beef and milk. Naturally, this is a difficult task, but in our situation it is the only possibility. Jointly with our economic scientific research centers we have prepared materials and methodical instructions for orientation in these new problems for the enterprises and middle sectors of the management.

#### Emphasis on Economic Considerations

We stipulated for our enterprises a maximum of five mandatory indicators. However, at the same time we want to stress that any relaxation in planning has a flip side—greater responsibility for production to cover social needs. Enterprises have more freedom in their selection of the method to meet social needs that they find most convenient. In no instance will anarchy be condoned. Our society does not profit too much if we far exceed the production of a certain kind of vegetables, let us say, green peppers, but if we fail to meet, for example, the production of garlic. Enterprises must bear economic consequences for failing to observe the structure of social needs. We must adapt our system of management to this new situation.

To illustrate the character of these measures, I should like to mention at least the method according to which we shall proceed in the case of grain crops. Those enterprises that show deficits in grain fodders due to lower acreages for grain crops than budgeted will on principle not receive the balance of grain fodder from the statewide fodder fund. And conversely, the task of procuring grain crops for the state fund will not be increased for enterprises that exceed their budgeted acreage.

Furthermore, we shall reserve certain foreign-exchange funds for enterprises that exceed their planned procurement of oleaginous crops or sugar. We realize, however, that if we want the enterprises to raise their production according to the needs of our society, we must create the required technical, material and economic preconditions for that purpose. Therefore, in the plan and in our management policies we have created preconditions for preferential economic, material-technical and investment considerations for those enterprises that will adopt difficult tasks in covering our social needs. Those who will try to "pick only the plums" in the plan may expect that our society will offer them fewer advantages.

## Good Management With Corn

The second portion of plant production has been favorable for us. In general, the yield of autumn crops has been good and provided opportunities for eliminating, or as the case may be, reducing the shortfalls from the summer harvest, specifically, those in grain and bulk fodder. The main principle for autumn operations in management, which we have enforced, is that not a day, not even a single hour be wasted in any enterprise or workplace, that the harvest be organized with the least waste and that the harvested crops be used to the best possible advantage, not only in the fields and storage, but also in sugar plants, starch factories, distilleries and canning plants that process the harvested crops.

We have high expectations from corn for grain grown in the socialist sector in the SSR on 142,800 hectares, which is 9,300 hectares more than last year. The crops are good and full, however, the harvest of corn for grain will make considerable demands on the technology, organization and management and on the drying and storage capacities in our agricultural enterprises as well as in agricultural supply and procurement enterprises. We have relatively adequate harvesting technology, adapters for successful harvesting of corn and 44 sets of the new efficient Kherzonets (KSKU-6) model have been used in harvesting operations.

As for the shortfall in densely sown grain crops, we stipulated a nonnegotiable task: to increase the harvested acreages of corn for grain as much as possible, and that other available resources, including corn husks, be used as supplies of bulk fodder.

To alleviate the need to dry corn for grain, to step up harvest operations and to utilize the biomass of the plant more comprehensively, divided harvesting of corn has been introduced this year in the West Slovakia Kraj. This method will be used in harvesting grain crops over an acreage of about 30,000 hectares and in harvesting silage corn on an acreage of 12,000 hectares with a total production of over 300,000 tons of corn cobs in bulk. To achieve this goal, the kraj is producing and adapting all necessary technology and building silo troughs.

As one of our key tasks this autumn we regard harvesting, procurement and distribution of potatoes for consumption, industry and plants; they are harvested on 60,000 hectares, two-thirds of them in the socialist sector. This is 481 hectares more than last year. The crops are in better condition than in 1981 and we expect that we shall meet the procurement of potatoes and that the fodder fund will also improve and more raw material will be left for industrial processing. The process of harvesting potatoes with combines was successful mainly in the Spišská Nová Ves, Poprad, Liptovský Mikuláš, Senica and Prievidza Districts. Harvesting of 1 hectare of potatoes requires 600-800 hours of work by volunteer teams of harvesters or 50-80 hours of mechanized harvesting. Therefore, we use mostly combines for harvesting, although in case of unfavorable weather conditions we must be prepared to call on volunteers. For autumn operations in our agriculture we have

secured students as volunteer helpers -- 182,000 students will work 12 workdays. Because many volunteer workers will assist in autumn harvesting operations, we should like to underline for our agriculturists that the harvesting operations must be well organized, the volunteers must be properly housed and fed so that their assistance be as efficient as possible, and that they help us deal successfully with our demanding tasks.

#### Waste -- The Greatest Untapped Asset in the Autumn

In the same way, sugar beet crops are good and healthy, and the preconditions for meeting their procurement plan are favorable. We promptly adopted measures to speed up and complete weeding of sugar beet crops, to prepare for trouble-free mechanized harvesting, and to reduce waste. Losses of those crops in mechanized harvesting, which would be higher than 12 percent, cannot be reduced by adjustments of technology, but we secure through with harvesting operations according to traditional methods -- tractor harvesting and manual cleaning.

Every enterprise will organize postharvest gleaning of the roots and take steps to prevent waste during the transportation of the crops.

We also expect a good harvest of sunflowers, whose acreage has been expanded to 22,000 hectares. The sunflowers will make up to some extent for the poor yield of winter rape in the raw material fund of oleaginous crops.

The harvest of corn for silage on 150,000 hectares is nearing its end. We expect that the planned production will be met. We plan to increase substantially the share of good-quality silage in the total volume of conserved bulk fodders. It is also the target of a competition and material incentives for workers in charge of silage.

An important turn took place this year in the cultivation of intermediate summer crops whose acreage was exceeded by 25,000 hectares. In the future, they will provide a very important source of bulk fodder, particularly in irrigated areas. The harvest of alfalfa and red clover for seed is at its peak. To stimulate the interest in, and the mandatory character of seed production, we have set aside for the Slovesivo VHJ economic production unit the required amount of fodders from the central fodder fund for resale to all seed producers in return for their delivery of alfalfa seed at a 1:7 ratio and of red clover seed at a ratio of 1:5. This principle will apply in 1982 and in the following years of the Seventh 5-Year Plan. In addition, the Slovesivo VHJ announced goal-oriented bonuses for each 100 kg of alfalfa and clover seeds.

#### Let Us Take Advantage of Our Chance in Vegetable and Fruit Production

Harvesting techniques of individual kinds of fruits and vegetables differ considerably. We have an opportunity to meet our tasks in the production of stalk, fruit-bearing and especially root vegetables if we can gather their entire yield for consumption and processing. We realize that the whole yield

must be utilized in order to produce sufficient intermediate goods for nonalcoholic beverages as well as for the needs of our dairy, bakery, confectionary and candymaking industries. We shall use the good harvest of apples and plums in the production of alcoholic beverages and cider and thus, we shall save grain as raw material in the production of alcohol. After a number of years, an extraordinary good harvest of top-quality paprika for spice has been harvested; we intend to achieve self-sufficiency in its consumption.

As in the summer, in this autumn season our processing industry is again using all its capacities and thus, resolving considerable problems with the consumption of excess vegetables, particularly peppers, cabbage, squash, cucumbers and industrial tomatoes. In pricing procured vegetables and fruits, we followed more rigorous measures than in previous years, which helped improve the supplies and consumption of cultivated vegetables and fruits.

We expect that, as in the grain harvest, employees of machine and tractor stations will play a major role in this autumn's operations as we'll, repairing defective machinery directly in the fields, promptly delivering exchangeable spare parts and mobile service vehicles. In transportation, we plan to use to the full extent first of all transportation facilities of agricultural enterprises, including vehicles from associated production plants. We shall use outside means of transportation only according to economic contracts for sugar beet and potato harvesting.

A major task facing our agriculturists is to save fuels and motor oil, because the tasks in harvesting and transportation of autumn crops, in preparation of the soil and in sowing of winter crops this year are higher than in 1981. We shall direct the initiative of our working people mainly toward lower consumption of gasoline, less waste during the harvest, better use of harvesting machinery, transportation vehicles and postharvest processing lines, and toward prompt completion of soil preparation and sowing of winter crops in accordance with agrotechnical schedules.

Promptness and good quality of harvest operations depend to a large degree on properly prepared technology, its skillful operation and best possible utilization, even in inclement weather, as we have learned from our lesson in the autumn of 1981. The harvest this summer has shown that the weather this year is indiscriminate and that human know-how and experience cannot undo many of its effects.

9004

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ENERGY OFFICIAL SEES SUFFICIENT ENERGY SUPPLIES FOR THE FUTURE

Leipzig LEIPZIGER VOLKSSTIMME in German 16-17 Oct 82 p 11

[Martin Schroeter interview with Horst Jungnickel, engineer, director, Central Office for Efficient Energy Use, Leipzig (date and place of interview not given): "Do We Have Enough Energy? Conversation With Horst Jungnickel"]

[Text: Biographic Data on Horst Jungnickel]

Horst Jungnickel, engineer, economist, born in 1934, is the director of the Central Office for Efficient Energy Use in Leipzig. From 1954 to 1959 he studied with Professor Hildebrand at what was then the Dresden Technical College energy engineering and then entered the energy industry. First he worked at the VEB Energy Supply, Halle, as operational assistant and from 1961 to 1964 was deputy chief at the Halle Bezirk authority for economic energy use. He later transferred to the Central Office for Efficient Energy Use, Leipzig.

Since 1979 Horst Jungnickel has been the director of the Central Office for Efficient Energy Use, reorganized in 1976. He is married and has a grown daughter and a school-age son.

Energy, the lifeblood of the economy, in remote periods of human history as well as today one of the most important factors in production altogether. In the past, however, human and animal labor, and energy contained in water, wind and simple fuels were always available and usable--the extent of it, however, always depended on man's creativity.

Today the consumption of petroleum, coal, and natural gas has reached a scope worldwide that makes many people ask anxiously: do we have enough energy?

The GDR, as one knows, is poor in raw materials. Yet we have considerable soft coal deposits and a significant science potential through which the great resource of efficient energy use can be tapped.

[Question] Comrade Jungnickel: first simply let me ask you: do we have enough energy?

[Answer] As to our resources, you know we have so much domestic soft coal that we can supply our grandchildren still and probably later generations as well with energy. The problem is always to have the necessary energy sources available at any given time to be able to supply the population completely and the economy according to plan. Within the scope of our socialist planned economy, which especially with regard to the energy policy proves an inestimable advantage, we keep working on always being able to give a positive answer to that question.

But again: in principle, we shall always have enough energy available. Even when the coal supplies are exhausted. As you know, we are systematically developing our nuclear energy base so as to satisfy the GDR's energy needs this way as well. One reason why this is necessary is that soft coal is not a renewable energy source and--just like the petroleum--actually is too dear to burn since coal can still be refined through a materials economy use.

#### A Turn in Energy Economy

[Question] Far into the 1970's the thesis was accepted internationally that energy, especially electrical energy, allocation had to grow faster than industrial production to ensure economic requirements. For some years, however, we have had a respectable industrial growth in the GDR with the same or a reduced use of primary energy. Electrical energy consumption also rises more slowly than industrial production. Is that a change from the view referred to?

[Answer] At that time, the value of energy was very different internationally from what it is today. Petroleum and coal were cheap. Western countries, mainly, found it more profitable to allocate more energy for growing needs than to make efforts to reduce energy requirements. That only changed in the capitalist countries with the "oil-shock" of 1973/74.

But we in the GDR had always focused on a thrifty use of energy. We can demonstrate a continuity in efficient energy use, especially since the eighth party congress. Still in the 1970's, we became laughingstocks at international congresses as "energy have-nots," when we would be explaining our idea of efficient energy use and energy saving. Today that has completely changed.

Indeed, we have developed our ways and means to achieve a considerable economic growth while primary energy stays the same or drops. The turn came in 1980, the first time that energy consumption no longer increased but even slightly decreased.

[Question] That provokes the question whether we can in the long run manage to produce, with energy consumption dropping each year, especially since one must

assume that new industrial branches or technologies originate that might possibly be more energy-intensive. Some day, it seems, the possibilities for saving energy might also be exhausted.

[Answer] That only appears that way on the first glance. And such an idea may be reinforced by that in energy saving we have first of all exploited only open reserves. Through rationalization, by means of science and technology, we have already introduced and implemented more far-reaching and penetrating measures. We realize that even when we consider the fact that energy-intensive technologies may get started in the future it will in principle still be possible to reduce energy consumption year after year. New methods and working principles, and the use of microelectronics, will give us much greater chances for reducing energy consumption. That is an essential component of our economic strategy for the 1980's.

[Question] Is it not also part of efficient energy use to look at energy sources that cost us nothing, as it were? There is talk about hydropower and tidal power plants, wind generators, solar collectors, bioenergy and geothermal energy. To what extent are those sources going to be tapped?

[Answer] I must warn against excessive expectations that are sometimes being exaggerated. In the overall energy balance we are working on, the renewable energy sources at present come to circa one percent, and by 2000 they will at best come to two percent. It shows we certainly want to use these sources more, which are not always cheap but they present no alternative at all. The energy problems of the future cannot be solved thereby. In contrast to other countries, we practically have no water power at all. The Baltic hardly has any tides, and the other sources are only of minor importance for our overall balance. Which does not mean that wind and solar power might not locally satisfy certain needs.

[Question] Especially since thereby environmental requirements also can be met in an ideal fashion. As we were talking about cheap energy sources, how expensive actually is efficient energy use?

#### The Rate of Return Is Two Years

[Answer] That is a cheap energy resources, if one compares it with the much more expensive energy production. Efficient energy use also makes for expenses, of course, but our experience has been that the rate of return for investment takes an average of 2 years. Every measure in efficient energy use also means efficient environmental protection because energy one need not resort to new resources that are not produced either and so puts no stress on the environment. Certainly, we hardly have any hydropower, but we have the necessary science potential for tapping energy reserves at considerable magnitudes. In the five-year plan period our energy savings are to come to an equivalent of 170 million tons of raw soft coal, which is roughly a semiannual output of the entire GDR soft coal industry. After the 10th party congress the quotas were increased.

[Question] What tasks in this is your institution handling? It alone cannot--figuratively speaking--dig up the whole mountain of 170 million tons of raw soft coal in the five-year plan period, can it?

[Answer] No, that is of course done in cooperation with other science institutions, with the industrial enterprises and all energy consumers. Our institution here also has a pace-setting function. We prepare the guidelines for efficient energy use and help enforce them. From the research to initiating new production procedures we bring an influence to bear on efficient energy use in all fields of the economy. The combines that are most important to us have the obligation to justify their energy requirements. We also work on applications for awarding distinctions "for exemplary energy economy work" and help the enterprises in various ways to meet those requirements.

[Question] If energy savings can be made in all fields, the question arises whether it would not be more beneficial to concentrate on certain areas or proceed down the line, as it were.

[Answer] We break our work down into certain complex fields, to be sure, but ignore nothing that is essential. Economic possibilities permit only a gradual approach, however. Much of the equivalent value of 170 million tons of raw soft coal to be saved between 1981 and 1985 goes to the energy conversion and distribution processes, that is mainly to the powerplant processes. But also in lighting, which does not make too much of a difference with respect to absolute energy consumption, we must insist on rational use. We also must do much more to improve indoor heating. We are using circa 35 percent of total energy consumption for it in the GDR. These are matters that are not consistently yet at scientific-technical top levels.

[Question] But the housing construction program probably gives us means here for making changes. What, incidentally, is the best form of indoor heating?

[Answer] Remote-control heating is the most economical way, and that we are putting through, mainly with new housing construction. We still have trouble with the insufficient insulation of our buildings, not always up to standards, and with the chances for regular heat supplies that are not always under control. Official heat consumption standards are partly still much exceeded also because when the houses were put together, the impermeabilizing of joints and other quality parameters got inadequate attention.

#### Each Decides by Throwing the Switch

[Question] What do you think in this connection of the development of the energy awareness? Energy comes cheap, privately. Could that not give rise to poor habits as well?

[Answer] To prevent it and, on the contrary, develop sensible habits in dealing with energy is, after all, also a task our institution has.

A very good method for spreading energy awareness, it turned out, has been the struggle for official recognition "for exemplary energy economy work." Territories can also sponsor such contests for a title, as you know. Bezirk cities like Rostock and Cottbus have one already, and the northeast city district of Leipzig has started contesting for that distinction.



[Question] A final question: how much has the long and hot summer helped us actually save energy?

[Answer] Well, it has helped in our using up less energy than normally and made our getting set for the winter easier. The heating period started later, but all that can be cancelled out again by a long and harsh winter, unless we handle the available fuels most responsibly. That is what we have to adapt to.

5885

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OUTLOOK FOR DEVELOPMENT OF CARBON CHEMISTRY PREVIEWED

East Berlin TG--TECHNISCHE GEMEINSCHAFT in German Vol 30 No 10, Oct 82  
(signed to press 20 Aug 82) pp 7-8

[Article by Dr G. Klepel, engineer, director, Scientific-Technical Center for Carbon Chemistry MfC (expansion unknown) at VEB Otto Grotewohl in Boehlen: "Raw Materials: Perspectives of Carbon Chemistry"]

[Text] Once again, carbon chemistry plays a special role in countries--like the GDR--that have adequate coal deposits at their disposal. Only they permit meaningful substitutes for petroleum, which has become extremely expensive.

TG has carried several reports on trends in the use of the domestic raw material lignite (see TG 9/80 and 8/81). This, however, has by no means exhausted this topic. Now it is a matter of refining raw lignite through methods which are considerably more effective than those of the past. This article provides information on some such processes.

Consistent with the global trend to increase the utilization of the raw material coal as a material-economic [stoffwirtschaftlich] substance, the GDR has resumed research and development on coal gasification and liquefaction. Almost 100 years ago, rich lignite deposits in the territory of the GDR had already led to the development of domestic carbon chemistry. Today's research can build on the experiences of that period. This is done with a view toward conceptualizing refining methods that guarantee maximum output under optimal economic conditions and that, in addition, can be put into effect within a relatively short period of time.

Besides raw lignite itself, briquets, sifted coal, and last but not least lignite dust are important raw materials for the development of such substitution chains which reduce the demand for liquid energy resources.

Thus, research and development is being conducted in the following areas: generation of gas from coal, coal liquefaction, coke production, and production of electrical energy.

## Starting Point Tars and Oils

Almost 40 percent of all raw lignite is made into briquets. Ten percent of the coal undergoes actual refinement processes, such as gasification, gasification under pressure, carbonization, and carbonization at low temperatures.

Carbonization involving gas recirculation and high-temperature carbonization produce tars and oils as byproducts. Unlike petroleum, they are of quantitatively limited, but in terms of their specific product structure very significant economic importance for the energy and chemical industry of the GDR.

Starting with the economic need for hard paraffin and electrode coke—a product which demands a very high price in the world market—, two technologies for tar processing have evolved: thermally destructive tar processing of high-quality coke with installations for blow coking [Blasenverkokung] in Rositz and Webau, and the non-destructive hydrogenating tar processing method with a plant (TH-Hydrierung) for the production of paraffin in Zeitz.

Plans call for the intensification and future increase in the output of the carbonization and coking plants and BHT [expansion unknown] coking plants through modernization and conversion of these plants as well as through modified processing technologies based on the latest scientific-technical findings. By making the greatest possible use of existing facilities, such measures will result not only in measurably higher output, but also in quality improvement.

Light crude oils are a byproduct of tar production and processing. To convert them into gasoline and diesel oil, respectively, requires hydrogenating processing. However, exclusive use of these light crudes for these purposes is unjustifiable since they contain numerous ingredients that are of interest to the chemical industry and to the domestic economy in general but must still be imported in part.

Of special importance in this respect is the dephenolization of light crudes. This produces a mixture of phenol, cresylic resins, xylenols, and higher-quality creosotes. Of these, the cresylic resins and xylenols (unlike phenol) cannot be produced at all on a petrochemical basis or only at unjustifiably high costs.

Other valuable ingredients of light crudes are the pyridine-bases which have been in production in Espenhain for years. Since the demand for pyridine-bases is growing in the world market and their price is escalating, adequate domestic production is an economic necessity to avoid costly imports. The same is also true for catechol, which has many useful applications, and also has to be imported in considerable quantities. It is not directly produced from light crude but is a residue of phenosolvan extraction. A technology developed in the GDR would not only permit the future substitution of these imports but would allow the manufacture of quantities large enough to permit exports.

## Direct Liquefaction of Coal

Fuels and organic chemicals can also be produced through direct liquefaction of coal. High output of good quality depends on appropriate processes specifically designed to liquefy lignite. One method is liquefaction based on the principle of catalytic high-pressure hydrogenation according to Bergius-Pier. Drawing on experiences, already gained before 1959 in a large technical installation of the Leuna Works, efforts are under way to optimize the catalytic high-pressure hydrogenization in a way that will increase output while lowering the energy input and cutting down on production time. This is, *inter alia*, accomplished by lowering the reaction pressure and by improved separation of solid materials and liquid substances. Residues are also re-processed.

This method of coal liquefaction--whose effective development is also being pursued intensively by other coal-processing countries such as the United States, the USSR, and the FRG--permits the production of both fuels and a large variety of vital chemicals, such as phenols, ketones, pyridin bases, and alcohols which, at the present time, must still be purchased for large amounts of foreign exchange. The process of catalytic high-pressure hydrogenation can also be integrated into the petroleum production process.

## Gas Production from Coal

The demand for synthetic gasoline is also rising steadily. By 1990, its annual production in the GDR is expected to be increased to about six billion cubic meters. This again calls for rationalized and economically efficient production methods that are geared to the specific characteristics of raw lignite.

A process developed in the GDR, which operates on the principle of coal dust gasification under pressure, will address this problem and form the future basis for a substantial increase of coal-based products for the intermediate materials [Wertstoff] and energy sectors.

This technology permits the utilization as fuels of both lignite dust or residues from petroleum production, including those which by other methods cannot be produced at all or only with considerable efforts from a material-economic point of view. Crude gas produced in this manner is processed for use in urban areas and as synthetic gas. Synthetic gas forms the basis for the production of large quantities of hydrogen, methanol, and other synthetic goods.

Increasingly, methanol is also attracting international interest since it can substitute for part of the conventional gasolines. An addition of about 15 percent methanol to conventional gasoline allows substitution on an annual basis of considerable quantities of gasoline without the need for large-scale modifications of motor vehicle engines.

Acetic acid, methyl chloride, and other materials are already being manufactured internationally on a large scale. Processes to produce acetic acid anhydride, ethylene glycol, vinyl acetate, and ethanol are being tested. However, methanol could also be envisioned for use in the production of olefines, paraffins, aromates, and possibly protein.



STATE SECRETARY DISCUSSES LONG-RANGE ENERGY POLICY

Budapest FIGYELO in Hungarian No 45, 11 Nov 82 pp 1, 4

[Interview with Dr Laszlo Kapolyi by Dr T. Katalin Forgacs: "Energy Policy Prospects"]

[Text] One of the speakers at the scientific conference held in Csopak in September 1982, with the title "Resource Management," was Dr Laszlo Kapolyi, state secretary, who has published a number of scientific articles and books on this theme. Dr T. Katalin Forgacs, of our journal, talked with him.

[Question] Has the recent stagnation on the international oil market brought any change in calculations connected with Hungarian energy use and structure?

[Answer] The stagnation of the oil market means "only" that at present world market oil prices stand at the 12-14 times level which came about since 1973. Because of the CEMA sliding price principle the price of petroleum acquisitions in the ruble relationship continues to rise for the time being. So the goals of the government program for energy management continue to be correct—the coal program must be further accelerated, taking petroleum derivatives out of heat production, satisfying increasing needs for electric power with increased use of natural gas or on the basis of coal and nuclear power plants.

[Question] Even if we start by supposing that oil prices will not increase further?

[Answer] Yes, in this case also only following this combinative energy policy strategy seems to the point. In the first place, despite the stagnation you refer to we continue to predict a high level for world market prices. Since CEMA prices will continue to rise for the time being it continues to be our task to reduce petroleum use. We must find the economically most efficient use instead of burning petroleum. At the same time, in regard to domestic fuels, we have opportunities for expansion only in coal production and nuclear energy use.

Domestic petroleum production, now about 2 million tons, cannot be increased; indeed, it can be maintained only with successful prospecting and development

of extraction increasing procedures. In any case, energetics has contributed to a considerable degree to improving our foreign trade situation since we are now using roughly 2 million tons less oil than 4 years ago. Putting in each block of the Paks Power Plant for electric power production is equivalent to replacing 700,000 tons of hydrocarbons. At the same time, extraction of white products from crude could be increased by about 10 percent by building a cracking plant. In our coal production, on the other hand, an increase of 2-3 times may be realistic. In the course of long-range planning, however, we are now studying a more modest coal production, in the range of 29-41 million tons per year--representing a 10-15 percent increase.

[Question] As an alternative one could consider turning the sums needed to expand coal production to the development of branches producing export products, using these export products to pay for the import of energy sources. In other words: "Let us produce the counter for the fuel import in the Chinoin plant." This would not make any real change in our import dependence.

[Answer] When judging this frequently posed alternative one should not forget two circumstances. In the first place, the energy needs of our economy--like those of other economies--can be reduced to only a limited extent even with great expenditures; in the second place, we must try to satisfy these needs with the smallest economic sacrifices--in the interest of the developmental possibilities of the processing branches producing export products also.

According to calculations which have been checked and reviewed many times the expected energy needs of our economy can be satisfied more favorably with increased domestic use of our uranium ore and by developing our coal production than by increasing petroleum imports. So additional fuel imports, paid for with export products, instead of the development of domestic extraction which can be realized efficiently would mean that our economy would have fewer resources for the indispensable development of the exporting branches.

To a large extent contrasting the development of the extraction industry with export to cover the import of fuels is based on a false argument. We must develop that which is highly valued on the international market up to the limit where expenditures remain under the cost limit. This applies to both the processing branches and the extraction industry. In addition it must be remembered that import to replace fuels not produced at home is accompanied by a double risk, because in this case, in addition to changes in acquisition conditions beyond our control, we must reckon with changes in conditions for placing the countering export, changes in the tight world market competition, equally beyond our control.

Even the greatest development technically possible of our coal production and uranium ore use will be sufficient to cover from domestic resources only about 50 percent of our expected energy needs--even in the event of reduced growth. Providing cover for the other 50 percent will in itself place a great task on our exporting branches.

So the solution mentioned as an alternative would produce a situation where the Hungarian economy would be forced to export more and more to acquire the energy needed to run it, with less and less opportunity for development.

It is thus of crucial significance that the processing, exporting branches effectively reduce their specific needs for energy and raw material, within the framework of an improvement of international competitiveness. In this way the import of raw material and energy will not impose an increasing burden, because of the deterioration in terms of trade, on the receipts attainable by export.

One of the chief ways to reduce specific use--in addition to technological development and increasing use value--is to use raw materials and fuels which can be acquired under the most favorable conditions. So as long as the domestic extraction industry provides raw materials and fuels under conditions more favorable than the world market it is performing a "service" for the processing industry and is contributing substantially to the competitiveness of the latter.

Both the domestic extraction industry and the processing branches can be rated by their economicalness in accordance with international standards. And thus we find that, by international standards, the activity of the extraction industry has gone way up in value--as a result of that group of phenomena designated by the collective term "oil price explosion." The frequently mentioned change in terms of trade is the best expression of this revaluation on the international scale.

[Question] The revaluation also depends on how we evaluate the two basic elements in the economic classification of mineral wealth, the so-called "real production costs" and the so-called "cost limit."

[Answer] That is true. In the case of every deposit the Hungarian workability classification used for the economic evaluation calculates and compares two economic parameters--the cost limit and the real costs.

The production cost limit, namely the upper limit of costs at which it is worth while to extract any domestic mineral source, is equal to the real production cost of the least favorable source needed to satisfy demands existing in the period under study. Thus only those raw material deposits are "workable" for which the appropriately considered extraction costs are less than the cost limit.

[Question] In these calculations is the least favorable energy source still needed the imported petroleum indispensable for the satisfaction of needs?

[Answer] This was the basis for earlier calculations. Imported petroleum is the only fuel an additional amount of which can be acquired from abroad--if appropriate counter value is available--and it can be used broadly to satisfy needs. The real production cost of this is determined by the foreign exchange acquisition price, the production cost of the export products taken into consideration as a counter for the import and the world market sales price of these products.

So the cost limit of our domestic fuels depends, in addition to the world market price of petroleum, which develops independent of us, on the production

cost of the products of our exporting branches and on the prices at which they can sell them on the world market.

Because of the extraordinarily high level of world market petroleum prices this calculation has been modified in that we now establish the cost limit for our coal deposits by calculating back from the production cost of electric power which can be produced in nuclear power plants, because at present petroleum prices one can no longer consider use of fuel oil in new thermal power plants.

In addition, we take the average results of credit actions to stimulate various exports as the basis for determining the foreign exchange yield index of export products representing a potential counter value in these calculations. Let me note in passing that we thus give preference to barter-production raw material acquisition solutions because--according to many of us--one should reckon here not with average costs but rather with the marginal foreign exchange yield cost achieved for the "worst" export batches still necessary.

According to cost limit calculations based on petroleum imports--projected for the same use value--imported energy--the production cost of which is determined by the expenditures for the countering export--would be about twice the cost of domestic extraction. Indeed, even the specific cost of establishing capacity for barter-production to be exchanged for import exceeds the cost of establishing coal production capacity (projected to the same base).

About 35 percent of the coal deposits are competitive with a cost limit established on the basis of electric power produced in nuclear power plants and so are worth extracting. In the mid-1970's this ratio was around 25 percent. So the development of domestic coal production--like the production of power based on fissionable material--is unambiguously competitive with the import of hydrocarbons, within the limits set by the coal deposits.

[Question] But in the case of the expected costs of expanding coal production capacity did you calculate with the average price index or did you start from the price increase for investment goods? And how did you take into consideration the import fraction of the extracting industry? Surely this is not negligible!

[Answer] In calculating development costs connected with building up the coal base we naturally took as a base the price index for investment goods. As for the import fraction, this does not affect the significant construction expenditures but only the acquisition of machines. According to average data about half of the mining machines to be used are Hungarian, 25 percent are socialist imports and 25 percent are of capitalist origin. Let me note that modern, mechanized working methods compensate many times over for the extra costs arising due to the greater depth because the volume of production per unit time increases many times and because of the spatial concentration of production. As a result of all this productivity is incomparably greater.



[Question] Did you not think that all machines arriving from import sources should be taken into consideration as if they were all of capitalist origin? This method of approach would be logical with the limit cost view. And did you take into consideration not only the direct but also the accumulated import content?

[Answer] These are ideas to be considered. But we must remember that with the development of socialist integration there will be an ever broader range of machines and equipment which can be acquired in the necessary quantity and quality from the socialist relationship and so taking these conditions into consideration does correspond to the marginal view. In regard to taking into consideration the accumulated import content, let me note that among the chief branches of industry mining has one of the smallest import contents for productive material use and taking the accumulated value into consideration does not change this. In any case, if we take the import content into consideration as it accumulates among the developmental and production expenditures of mining then we should do the same thing for the counter value for oil import constituting the basis for the cost limit calculation, or in the case of nuclear power plants also. Thus, taking into consideration the accumulated import content would not hurt the results of the calculations pertaining to increased use of our coal deposits.

In any case, it has been known for a long time that if we want to determine what combination of development of the extraction industry and of the processing, exporting branches will result in minimum expenditures at the level of the national economy it is not enough simply to calculate and compare the direct costs of the two solutions. As Novozhilov has pointed out, the production of each and every product is interdependent with a certain change in the expenditures for and necessary quantities of other products. So in studying any developmental variant we must take into consideration, in addition to direct expenditures, what supplementary expenditures will become necessary in other spheres of the economy, with the use of the production assets and developmental resources. Sometimes these so-called "reciprocal expenditures" may be so great as to completely negate the savings appearing in the direct expenditures. This might be the case if, instead of exploiting the coal deposits or developing nuclear energy, the development of the processing branches or of agriculture, in the interest of providing a counter for the import, were to make necessary great incidental imports and very expensive "background" investments due to world market competition.

[Question] This is not entirely convincing because the incidental expenditures also appear in the other direction. In the event of constant development indispensable extra expenditures may become necessary even for processing branches forced relatively into the background because of the extracting industry. In addition, unfortunately, a theory of the Novozhilov type is difficult to put into practice; all expenditures appearing at the level of the national economy cannot really be taken into consideration in the case of concrete developments.

[Answer] I would like to refer back to what I said earlier. The planned development of domestic coal production and nuclear energy will not withdraw

any possible resources from the processing branches. On the contrary, if we thus satisfy the indispensable energy needs—according to our calculations under conditions more favorable than any other possibility at our disposal--then there will be more resources remaining for the development of the processing branches than if we gave preference to fuel imports instead of the domestic developments which can be realized efficiently. In regard to the uncertainty of establishing expenditures at the level of the national economy I can only note that this pertains equally to every variant and every detail of every variant for satisfying the energy needs.

[Question] There is still one uncertainty factor we have not mentioned. How did you proceed when forecasting energy needs?

[Answer] All the way up to 1978 there was more than one unit of energy use for each unit of national income increase. Instead of this we now take an index of 0.15 in the long-range calculations. This may be too optimistic a ratio! Starting from this, we are predicting a substantially slower growth in our energy needs as compared to the use planned earlier. Indeed, there may sometimes be a decrease in total use has, for example, in 1981.

Naturally, energetics itself cannot fulfill this tight prescription. It will require that every sector of the economy, including communal consumption and consumption by the populace, treat a reduction in the energy demand of our development as a stressed task.

[Question] How do you intend to counter the increased environmental pollution of coal fired power plants, the "reciprocal expenditures" appearing in this way?

[Answer] In principle we can intervene in three "places," in treatment of the coal before burning, in the burning technology itself and, finally, in treatment of the stack gases released. We have studied a number of procedures in all three areas. As a promising trend I might mention conversion to the technology of so-called fluid firing boilers. To a considerable extent this technology binds the sulfur oxides arising as the coal is burned, preventing the production of flue dust. So in the long term a great reduction in environmental burdens can be attained with active environmental protection deriving from the development of technology. This applies to every branch of energetics and we will apply it to nuclear energetics also.

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# UNION CONFERENCE ON WORK PLACE DEMOCRACY

Budapest NEPSZAVA in Hungarian 22 Oct 82 p 7

[Article by Laszlo Deak: "Conference on Further Development of Democracy on the Job]

[Excerpt] The Trade Union's Outstanding Task and Obligation

A two-day scientific conference began Thursday in SZOT's [National Council of Trade Unions] headquarters on the main theoretical questions of further developing the workplace democracy. Secretary generals of industrial branch and subbranch trade unions, heads and secretaries of the SZNTs [Megye Trade Union Councils], economic and mass organization leaders of the enterprises, as well as representatives of the scientific live, economists and socialogists are debating the conditions of improving the workplace democracy and the tasks of the trade unions and of the economic management.

The first presentation was delivered by Marton Buza, director of SZEKI [Theoretical Research Institute for the Trade Unions], about the direction and conditions of workplace democracy. Then Istvan Bihari, the general manager of Chinoin, outlined the tasks of the enterprise managers and the just expectations from their behaviors in developing the workplace democracy.

The third report to the conference was made by Ferenc Sali, head of SZOT's department of organization and cadre, about the trade union's tasks related to improvement of the workplace democracy.

"For years we have been making conscious and constant efforts in this country to strengthen socialist democracy and within this, the democracy of the workplace, and to improve further its content and methods. We are doing this with the conviction that further improving the merits of democracy is at the same time the key question of our future and of our progress," Ferenc Sali said in introduction. He continued, "Workplace democracy is an indispensable tool of our political system, of the expansion and at the same time of the credibility of the power of the workers--tool that must never become a self-serving process or an effort for its own sake. The essence and content of democracy is social action and activity, ensuring the broad involvement and organized participation of the working people in exercising power and in

deciding and organizing the questions that affect the community. It is a tool for involving the working people in public life and for strengthening civic-mindedness.

"Our democracy is more than a simple tool for organizing the conflict of interests, and for expressing interests, or just some kind of a process for exercising one's rights," the speaker emphasized. "Workplace democracy is also a method for exercising power. One of its most important tasks is to promote the best possible and the most realistic decisions."

The trade unions have always been the initiators of reinforcing democracy, since we cannot implement even our noblest social goals without the understanding, support and cooperation of the workers. In this connection the speaker indicated that 1977 was a significant point in the process of strengthening the workplace democracy, when it became clear that some kind of a special organization is not necessary for implementing democratism and for involving the workers in leadership because this can be solved reliably through the trade unions--as this is a natural part of their work.

The practice that has developed and is constantly gaining strength has added further color and enriched our social life, strengthened society's activity, the communal life and sense of responsibility of the people.

The representative forums, trade union groups, stewards and steward organizations have entered the process of exercising and strengthening democracy as new irreplaceable powers. In 1980 the trade union movement agreed to transform the entire structural system of its basic organizations by building on this strength after an experience of only 2 to 3 years. By this measure --including the broad authorities of the stewards--the trade union movement made a timely move and conformed to needs. Ever since then, constant and deliberate reinforcement of democracy on the job has been one of the most important tasks and cherished obligation of the trade union movement.

Sali emphasized that the significance of the base organization's work had further increased recently in the trade union's work. The base organizations work is helped by strengthening the trade union's communal life, the system of group membership meetings, the increased role of the stewards and the increasing work of the steward's organizations.

Speaking about the developed system of implementing and further improving the work place democracy, the speaker emphasized the definitive role of the stewards.

"Most stewards are already respected people, real and definitive factors in their respective environments," he said. He spoke about how, based on the position taken by SZOT at its meeting last October, a plan was worked out with the approval of the Council of Ministers for further improving democracy on the job. The plan is characterized by the fact that it contains only the main principles and specifications. Detailed regulations are entrusted to the local organs. The goal reduces the central specifications and increases the independence and responsibility of the local collectives; it eliminates



the difference between the rights of producing and nonproducing work place units and communities; it organizes the functions of the forums by eliminating the parallels and overlapping areas; and it dissolves overregulation.

The plan, Sali said builds more vigorously on the individual working strata, mainly on youth; it increases the personal role and responsibility of the business leaders and trade union officials, and the responsibility of the state's directing organs; it intends to expand the right of the collectives to state their opinions about the work of their leaders.

The speaker related in closing that the trade unions are not impatient concerning the situation of workplace democracy but neither are they satisfied with it. They can also see the weaknesses of their own work. They do not reject justified criticism but they do reject the idea that doubts the suitability of the trade unions in practicing the democracy and in operating the forums. In recent years the movement has proved that it is capable of implementing this responsible task.

Wide-ranging debate developed after the reports. The conference will finish its work today.

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## HAVASI'S ECONOMIC POLICY HIGHLIGHTED BY HIS COLLECTED WORKS

Budapest NEPSZABADSAG in Hungarian 6 Nov 82 p 5

[Review by Istvan Foldes of book "Új fejlődési pályán. Valogatott beszédek és cikkek, 1977-1982" [On the New Path of Development. Selected Speeches and Articles, 1977-1982] by Ferenc Havasi, Budapest, 1982, Kossuth Publishing House]

[Text] It is very edifying to reread publications that had attracted public attention already at the time of their appearance, even if the ideas in them were expressed and written fairly recently, over a period of not quite five years. This is especially true if we again read the articles and speeches of a period in which, at the end of its first year, the December 1978 session of the MSZMP Central Committee switched the Hungarian economy to its new path of development. In 1977, as deputy chairman of the Council of Ministers, Ferenc Havasi was chairman of the government's Economic Committee. In the spring of 1978, he became secretary of the MSZMP Central Committee. His speeches, articles and interviews are thus an authentic source providing insight into how the changeover to the new path of economic development came about in economic policy, and how the economic-policy directives and resolutions of the party and government are being implemented.

Rereading provides an insight also into the workshop of formulating economic policy, of its continuous development and, when necessary, its self-correction. Reflecting the party's work style, the material of this volume proves that the objectives of economic policy originate not from wishful thinking and pipe dreams, but from reality; that they respond sensitively to changing circumstances; and that we are not afraid of the new and boldly introduce changes when new forms and methods promise better results. But at the same time we are also mindful of the requirements of social stability.

#### Stability and Flexibility

However, we regard the requirements of social stability not as absolute immutability and the conservation of obsolete structures, but as the need to ensure that society and the economy develop free of shocks. In today's rapidly changing world it is not always easy to resolve the contradiction between stability and flexible change, nor are we able to resolve it optimally in every case. If in this respect we sometimes misjudged the proportions, we had the courage to openly admit our mistake, and to make the corrections deemed necessary. Also as a persisting effect of years past, the desire for stability is very strong within our society: not only among individuals, but at the enterprise level as well. Pressure from this source was a contributing factor in that during the past period

our actions were sometimes late or did not go far enough; for example, in adapting to the changes in the external economy and in passing on their detrimental effects upon the country. The history of the 1978-1982 period clearly demonstrates how much faster and more consistent economic management's response has become, and how the inevitability and practice of flexible adjustment to changes have gained acceptance, albeit not general acceptance, also in the economy.

What Ferenc Havasi said on the 36th anniversary of our liberation remains valid and edifying even today:

"With hindsight, there are many things we would have done differently and better. We can justifiably say, however, that our results can be attributed to our willingness to boldly compare our policy with reality. In the course of our progress we are not avoiding or circumventing issues that have become ripe for solution, because we know that procrastination or the avoidance of issues would only aggravate our problems."

#### Modification of the Path of Economic Development

Modification of the path of economic development, decided at the December 1978 session of the MSZMP Central Committee, also occurred in this spirit of criticism and self-criticism. The contents of this volume comprehensively illuminate the antecedents of this change of path, and analyze both its causes and consequences, tracing the course of their realization. Regarding the antecedents:

"Planning and the system of regulation adjusted with delay and inadequately to the world economy's environment under the 5th Five-Year Plan, an environment that was even worse than had been anticipated. As a result, the normative requirements were relegated to second place, and the economic organs enjoyed more protection than what was warranted. In the division of income between the state and the enterprises, the state organs were unwarrantedly too accommodating at the expense of the state budget."

The author formulated the requirements of the new economic-policy path as follows:

"Our actions must center around the restoration of external economic equilibrium, and until we are able to match the present level of distribution with the necessary performance, we cannot pursue any other course than a policy of preserving the attained living standard and slightly improving the living conditions."

The nearly four years that have elapsed since the end of 1978 have proved that the change was necessary and the new direction is the right one, and that the modifications, although somewhat late, were still in time to prevent more frequent and greater shocks to the economy. For it is evident also from this volume that the world economy's unfavorable effects reaching us have not subsided; to the contrary, they have even intensified. Let us just recall the second oil shock at the start of this period, the deepening recession of the capitalist economy, or the policy of increasing discrimination against the socialist countries and the financial difficulties stemming from it. The fact that we nevertheless have been able to restore the equilibrium of our balance of trade and to basically maintain the living standard, the level of the population's supply, is inseparably linked to the changeover decided at the end of 1978 and to our economic policy since then.

## Acceptance of Debate

It is not easy to gain acceptance for new ideas, and this is especially true of new policies and methods. We must fight for them, before scientific forums as well as in the various spheres of the economy, among managers and the workers who implement the plans. And if in addition to all this implementation has to be ensured under increasingly more difficult conditions, doubts will unavoidably arise, and even views challenging the soundness of the new direction.

Ferenc Havasi holds that it is the duty of the Communist politician and party worker to respond with convincing arguments to doubts stemming from a superficial or sketchy knowledge of the facts, as well as to withdrawing views that question the socialist nature of our measures or to outbidding views that are in conflict with the basic principles of the socialist economy. Debate, he believes, must not be avoided. Discussion of the problems and the dispelling of doubts are conducive to a peaceful domestic political environment, and not in conflict with it:

"Naturally, a peaceful and well-balanced domestic political life does not mean that society is at a standstill; it does not mean that we do not have any problems or that there are no society-wide debates. Such debate is motivated, basically and decisively, by a constructive desire to improve the situation. Thus even though we do not always agree with everyone on every issue, we welcome a dialogue because the correct standpoints and views become crystallized in debate and are able to further strengthen social cooperation and socialist national unity."

There was no paucity of such debates even during these years. To mention a few from this volume, we had debates on the rate of economic growth, the economy's openness, the role of foreign trade and its breakdown by principal provenances and destinations, the differentiation of enterprise and personal incomes, the production structure, and the new forms of entrepreneurship. I have mentioned only a few of the topics of debate from this volume, intentionally topics that leave much to be clarified and explained even today. Ferenc Havasi's thinking and reasoning also on these issues can be of considerable help in political work. The following are a few illustrative examples of his apt formulations.

On the growth rate: "The trouble, we firmly believe, is not so much that the growth rate of production has slowed down, but far more the fact that even so we are obliged to maintain enterprises and activities which, to put it mildly, are not contributing to national income."

On the economy's openness: "We are dependent on developing world-economic relations. The openness of our economy and its close ties primarily with the CEMA countries, but also with the other spheres of the world economy, follow from our country's situation and its natural conditions. We do not wish to alter this openness, nor would we be able to do so."

On the new forms of entrepreneurship: "In the course of the history of building our socialist society, people have guarded socialism many times from something or other . . . . At the time of the economic reform's introduction there were some who feared that economic competition and adjustment to the market would



eventually lead to unemployment and to the living standard's decline. Experience has not confirmed these fears. But there were also those who frequently referred to the false concept of refrigerator socialism and wanted to protect our socialist development from it. There was considerable opposition also at the time when we supported farming on household plots. Still others feared that letting sharecroppers cultivate the fields in Nadudvar would mean a return to capitalism. But they did not fear that the people's initiative, their desire to do something, would be lost if we did not provide the conditions that would enable them to develop their initiative."

#### Reform's Further Development

There has been debate in recent years, and there is one even now, on our system of economic management and particularly on its further development. The first article in the volume, written on the 10th anniversary of the economic reform's introduction, rightly emphasises the following:

"The quality and, one might say, the art of economic management lie in how it responds to the changing world's 'challenge,' how it is able to sense and transmit the international and domestic economic processes, and how well it can mobilize society for the tasks that from time to time must be solved under the changing conditions."

The reform of economic management created favorable conditions for the art of adjustment, but of course economic management itself had to change in order to be able to fulfill its role. And it is likewise natural that this, too, did not take place without debate, and there were even temporary standstills. In [year illegible]-1974, for example, political uncertainty hampered the necessary further development, writes the author. And he goes on to say:

"There were views to the effect that in the years following the economic reform's introduction the socialist features of our society had been weakened, and therefore these features had to be reinforced; among other things, the stability of the large plants had to be protected at all cost. It is understandable that in this atmosphere and situation it was fairly difficult to search for, elaborate and also introduce more radical solutions conforming to the spirit of our economic reform. The search for a way out was characterized by efforts to correct the economic reform, and also by views that regarded the new economic mechanism introduced in 1968 as one of the causes of the arising problems and saw the solution in reviving the methods and approaches already employed in the past.

In the subsequent years, specifically in the years covered in this volume, important measures were adopted in the spirit of the economic reform's basic principles, to develop our system of management further, in planning, regulation, and in the system of organization and institutions as well. Let us recall, for example, the introduction of producer prices geared to the world-market prices, the establishment of the Ministry of Industry, decentralization of certain enterprise organizations, etc. In the course of this, attention focused on many questions that now appeared in a different light. These included questions such as the relationship between central management and enterprise independence, the application and combination of the direct and indirect methods of management, the relationship and proportions of compulsion and stimulation, reconciliation of short-term and long-term interests, and the question of entrepreneurship and risk-taking. Concerning this last question, the author emphasized:

"... managers at every level must assume the risk and responsibility in conjunction with their decisions. We must not exclude the possibility of failure. But only the managers whose activity is basically successful and whose possible risk-taking losses are amply covered by their successes can afford to accept failures, and we, so to speak, can forgive their failures."

#### Role of Human Factors

Ferenc Havasi discusses also elsewhere the increasing requirements that managers must meet. For example, he writes:

"Only those managers who are dedicated, know their profession well, are selfless and regard their managing and leading role as service to the people have been and will be able to make sound decisions."

But he emphasizes the important role of the human factors not only in conjunction with managers.

"Human factors--a uniform approach, initiative based on such an approach, creative activity, professional knowledge, a sense of responsibility, organization, order and discipline--play an important role in the realization of our objectives. It is in the interest of everyone--managers as well as subordinates--and their duty to reinforce the positive characteristics of human behavior and to develop a creative atmosphere. Good morale makes work more fruitful, increases the results, helps to overcome the problems and enhances progress."

From these ideas stems the importance of political work that gains acceptance for our objectives and mobilizes society for their realization. It is necessary to make people aware, he writes, that "only the development of society as a whole can be the basis of the permanent and continuous well-being of individuals and smaller collectives."

It is now almost four years that the Hungarian economy has been proceeding along its new path of development. This volume of Ferenc Havasi's speeches and articles gives us a good overview of these years. And it also convinces us that the essence of this new path is not a moderation of the growth rate, but the creation of the conditions of growth based on new structures and greater effectiveness. He writes:

"As the resolution of the party congress points out, we must do our work in such a way that will provide also the foundation of dynamic growth in the future."

The writings in this volume help to develop the approach essential to this work.

1014

CSO: 2500/34

## OUTLINE OF ECONOMIC ADMINISTRATIVE FUNCTIONS

Warsaw PRZEGLAD TECHNICZNY in Polish 17 Oct 82 pp 35-37

[Article by Janusz Goscinski: "Mechanisms And Processes in a Reformed Economy"]

[Text] The autonomy of enterprises is the condition of those basic changes in the functioning of the economic system, about which I wrote a week ago. It is, therefore, also the condition for self-financing the system's result. The cause (source) of the result is the principle of strict financial-budgeting limitations. The limitations are possible when the financial system is efficient, when it is based on a uniform value of the zloty as the only payment means in the customs area of the country, that is "difficult" to obtain for economic organizations. This also requires the state's financial policy based on adjusting economic plans to the state's financial capacity, instead of purely fiscal policy based on draining all organizational units and the market of all the money in order to implement the plan. Such behavior leads to hyperinflation. The future solution, recommended here, would, naturally, require the independence of the national issuance bank from the state administration, since only such independence will allow the statutory regulation of the principles and the size of money issuance and circulation.

Before presenting the proposals concerning separated autonomous regions, want to discuss two categories that are often mistakenly used as synonyms: economic separation of the enterprise (the organizational unit), and the economic autonomy. R. Zielinski\* explained the difference. According to him, the economic separation means:

- a) separation of the goal function (income-profit type);
- b) territorial separation of functioning;
- c) separate methods and means of exploiting material resources;

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\*R. Zielinski, "Determinanty kreacji systemu kierowania gospodarka socjologiczna" [The Determinants of Creating a System for Managing Sociological Economy"] (Ph.D. thesis), Lodz University, 1981.

e) separation concerning the arrangement of employees, means, methods, etc. and inter-relationships between these factors.

Thus, by the economic separation R. Zielinski understands the economic category that implies a specific content of economic relationships that take place within the economy. Therefore, the fact of separating a party earmarked for exploitation by a given economic organization from the whole of the financial and material resources does not denote the economic separation. Separation of resources does not take place because the central authority chose to do so, since economic activities cannot be conducted outside of separate economic organizations. The economic separation does not imply any decisionmaking rights. In an extreme case, the economic organization may be separated according to the four characteristics listed above. However, it may be at the same time, either completely or almost completely divested of free will in an extremely centralized system of economic management.

The economic autonomy pertains to decisionmaking rights. This means that it is an economic category belonging to the sphere of political and ownership relationships. Thus, the delegation of decisionmaking rights is based on the transfer of part or, in an extreme case, all of the rights to perform ownership functions. In other words, it means that there is a change in the distribution area in the power structure. The legal personality constitutes a formal confirmation of economic autonomy, which is expressed in the sphere of ownership relationships. Thus, contracting ownership obligations and the ability to contract credits are the characteristics of economic autonomy, rather than the separation of the economic unit.

Therefore, the notion of the autonomy is linked to such issues as:

- 1) the scope of the decisionmaking rights, including the autonomy of the economic planning;
- 2) the responsibility of the unit for contracted debts with its resources and income;
- 3) vertical and horizontal links.

Following R. Zielinski's suggestion, O. Lange and E. Lipinski formulated an approximate definition of the lower and the upper limit of the economic autonomy. The suggestion is worthy of further analysis and, perhaps, even conclusive results concerning this matter. This is how the limits are defined according to Zielinski:

--the lower limit of the economic autonomy is manifested in those activities of enterprises that cannot be centrally planned using detailed indicators given from the top (E. Lipinski, "Istota i granice decentralizacji" The Essence And Limits of Decentralization in "Teoria ekonomiki i aktualne zagadnienia gospodarcze" Theory of Economics And Current Economic Problems , 1964)



--the upper limit of the economic autonomy is manifested in such awarded scope, that its overstepping may become the premise for forming the anarchistic-syndicate type of ownership (O. Lange, "O socjalizmie i gospodarce socjalistycznej" [Socialism and Socialist Economy], 1968.

Putting aside for the time being, the question of correctness of the proposed autonomy limits, I simply want to emphasize that the notion of autonomy is linked to the management system. The management system includes, besides methods of managing groups of people and administration of the organization, the ownership, i.e., constitutional relationships (I wrote about it earlier in my book "Zarys teorii sterowania ekonomicznego," PWN, 1976). I shall discuss the alternative to the management systems, i.e., the principles of economic reforms, in another publication. Here, I merely want to discuss the subject of economic autonomy. The autonomy should be studied by examining its eight aspects (see Table).

In theory, there are three variants of the national economic system. In the first variant, enterprises are separated, but they do not enjoy any degree of the economic autonomy (the state is the economic unit and enterprises are its dependent agencies). The second variant consists in partially autonomous enterprises. The third variant consists in the state functioning as the economic unit and autonomous enterprises as units functioning independently of each other. The two extreme variants do not interest me here for pragmatic reasons. Thus, we will deal with the case that can be defined as a choice among combinations of autonomy.

In this context, we should also examine the functions of the central authority (information, indirect parametric, indirect nonparametric, and direct) also associated with (partially) autonomous functions of economic organizations (marked in the table F1 to F6). I omitted the function of the state control since it is implied in every F.

Most of the blocks in the table, which are a result of crossing horizontal lines with columns, are filled with text. However, in a few cases there is no relationship between a given function of the central authority and the functioning of enterprises. The table does not attempt to exhaust the set of relationships or procedures pertaining to the functioning (behavior) of the central authority and economic organizations. It simply illustrates the way of reasoning, of defining the set of relationships for a given, assumed earlier, system of functioning of the economy. Every combination in which enterprises become autonomous and nearly strict financial-budgetary limitations are assumed as a premise for functioning, should have a table.

To illustrate this kind of reasoning, I will discuss two areas of activities: D3, concerning income and funds, and D6, concerning trade activities of enterprises. For both cases I assume that central plans (yearly, as well as those covering several years) do not have the directive-type character, according to the principles adopted in 1981 for the economic reform. At first, let us examine the first case, i.e., the income and the funds. The budgets are the instruments for central and field planning. They inform about the budget income, expenditures, etc. They inform enterprises about

Table. Functions of the Central Authority and Activities of Economic Organizations

Areas of Activities				
Functions of Central Authority	Planning D1	Assets D2	Incomes and Funds D3	Projecting D4
F1 Central Planning	Information Economic policy, state programs, parameter steering, forecasts, etc.	Plan of central investments leading to the growth of assets of economic organizations	Information State and local budget	Information Market, supply and demand
F2 Legislation		Cession of state treasury assets on behalf of economic organizations entitles to exploitation and turnover	Regulations con- cerning the process and con- ditions of creating funds, mixed companies, etc.	Industrial, trade law, etc.
F3 Standards		General standards of amortizing components of assets		Polish standards, certificates, industrial safety and hygiene, state control
F4 Distribution- state control	Materials-energy balance, quotas and allotments	Allocation of machinery and centrally distributed equipment	Social sub- sidies and subsidies for research and development	State orders
F5 State contracts	State orders			State orders

Table (continued)

F6 Regulations and economic steering	Set of parameters pertaining to D2-D8 areas	Property tax	Income tax, size of reserve fund, interest on bank resources and bills, etc.
Economics and Finance	Trade Activities	Organization	Management, Employment and Wages
D5	D6	D7	D8
Information Budget, credit plan balance of the population's income and expenditures, etc.	Information Plan of market supplies, plan of CEMA turnovers		Information Balance of manpower
Regulations concerning bankruptcies	Regulations concerning consumer protection, process and conditions of agreements (fees, securities, guarantees, etc) trade and civil codes, licensing economic activities	Antimonopoly regulations concerning associations, companies, etc.	Regulations concerning the right to employment, administration of commissions, annuities and pensions
Insurance rates, protection of environment standards	Principles of price calculations		Allowances, social minimums, standards
Product subsidies	Quotas and allocation of raw and other materials, imports		

Table (Continued)

Price lists and rates

Securities, fees,  
money advances,  
guarantees for  
securities and other  
guarantees

State contracts and  
orders, offer-auction  
system

Transport and  
Telecommunications  
rates, duties, trade  
margins, income tax,  
interest rates for  
inputs and credits,  
product subsidies  
(goods and services),  
conversion rate, etc.

Exports and imports  
customs, duties, trade  
margins, turnover tax,  
regulated and conven-  
tional prices, foreign  
exchange balance,  
foreign exchange rate

Labor costs,  
levelling tax and  
emoluments



financial and budgeting policy conducted by the central authority and regional self-governments, i.e., about the factors that would influence incomes and allowances, i.e., funds of enterprises.

However, the state conducts specific regulatory activities characterized by general rules (e.g., economic law). In this framework, I assume that the regulation will be the process and the conditions for creating specific funds. Therefore, the autonomy of enterprises will be limited to eventual creation and distribution of income and for creation and appropriation of funds for joint enterprises, companies, and participation of foreign partners in the form of trade and capital companies. Such regulations are general in character, which means that they pertain namelessly to every enterprise (and, more generally, to every economic unit) functioning in the area covered by the regulation.

The standards function F3 does not pertain to D3. In the case of the function F4, I see two alternatives. The first alternative assumes preservation of the allowances for research and development goals wherever the central authority wants to increase the scope and the intensity of the projects that are especially important for the economy. Of course, instead of allowances, state agencies can contract out such projects. In that case specified funds would cease to obtain allowances (e.g., the development or the technological progress funds) and research and development would move to the F5-D6 block. It is also possible to have the most favorable, mixed system based on subsidizing expenditures for basic research and contracting for solutions ready for commercial use.

The regulatory function of the central authority pertaining to income and funds is based on taxing incomes according to the principles of the tax policy that requires making allowances of an appropriate part of the income to the reserve fund. It is also based on interest payments for resources accumulated in banks on behalf of various funds and policies that would encourage, by high interest, the accumulation rather than consumption of resources. Such policies would have to vary according to parts or sectors of the economy in order to encourage some and discourage others, depending on the state's social and economic policy.

Concerning trade, the plan also fulfills an information function, even including the obligatory state transactions in the CEMA framework, as well as the plan for market deliveries and the policy of balancing trade.

In the legislative sphere, the central authority would regulate indirectly, although nonparametrically, the trade activities of autonomous (industrial and trade) enterprises by defining the main principles for entering into agreements based on trade and civil codes, and by licensing specific activities. The activities include import licenses, purchase of trade or industrial cards, the opinion of the appropriate industrial-trade department, etc. Finally, the state would patronize, through legislation, the institutional forms of consumer protection.

Concerning standards, the central authority would only be involved in setting principles for calculating prices and contracts. The sphere of distribution involves more because import and sometimes export licenses have to be awarded, and because of the necessity to set quotas for some commodities belonging to the sphere of supplies, and for exports, in order to protect, for the time being, the domestic market.

State contracts and orders do not require any particular comment. They can be concluded on the basis of offers and as a result of limited or unlimited auctions that would include a system of appropriate securities in the auction stage and after completion of a part or all of the order, fees, and other forms of guarantees, e.g., guarantees concerning hidden defects, etc.

The system of indirect regulation includes an appropriate customs policy applied by the central authority to exports and imports. As a member of GATT we are required to apply the policy to enterprises and other units of socialized economy. The system of official prices or prices regulated by the central authority operating with profit margins and the rate of zloty or other currencies in commercial and noncommercial turnovers is another instrument.

The turnover tax may be used as an important indirect instrument, to collect excessive income resulting from applying free prices in the market by dominant manufacturers. The turnover tax may also be used to encourage production of goods preferred at the time; e.g., much lower rates or a periodic tax exemption may be applied for such goods as medications, insecticides, agricultural tools, shoes, children's clothing, etc.

9959

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FURTHER TRANSPORTATION PROBLEMS NOTED

Warsaw TRYBUNA LUDU in Polish 29 Oct 82 p 6

[Article by Andrzej Kozminski: "Alarm For Transportation"]

[Text] ... "Since I exhausted all other means of intervention available to me, I now ask Mr Minister to intercede on our behalf with the subordinate services responsible for full coverage of railroad cars used for the export of sulphur. Last October delays in export of crushed sulphur for 10 days equalled 15,000 tons."

Engineer J. Klimek, director  
"Siarkopol", Tarnobrzeg

... "On 8 October at 9:00 o'clock blast furnace B producing ferromanganese in the steel mill 'Pokojski' in Ruda Slaska stopped working (...) as a result of the lack of railroad cars needed to deliver fluxing agents and ores (...) Continued lack of deliveries will result in stoppage of the second blast furnace and, subsequently, the whole mill (...)"

Bogumil Ferensztajn, economic secretary  
PZPR, Voivodship Committee in Katowice

Every day long reels of telex tape with such messages find their way to the desk of the minister of transportation, the vice ministers, and the director of the commercial transportation and exploitation of the Polish State Railroads (PKP).

The Winter has not yet begun, there has been no frost or snowstorms, but still the transportation department is not able to handle accumulating needs. Even for transportation of coal, which has been awarded the highest priority, there have not been enough railroad cars. Last August 860,000 tons and in September over 1.4 million tons less coal than planned was transported.

In October, a month which, according to the PKP annual scale of difficulties, was an average month, the railroads refused to transport 4 million tons of cargo. This equals 12 percent of the general needs of the economy.

#### Brakes on Rails

The transportation potential of our railroads decreased almost 90 million tons, i.e. 18 percent, as compared with 1978, when PKP transporting was largest. There are several causes of this.

First of all there is not enough equipment. Delivery of new railroad cars has decreased several times. Although the number of damaged cars decreased by 10,000, still 53,000 cars are waiting to be repaired. Also, over 1/3 of heavy diesel locomotives and 14 percent of electric locomotives are idle. This is caused by the lack of spare parts and insufficient capacity of the repair plants.

Slower trains and a decrease in transporting efficiency have been caused by bad rail conditions on almost 1/4 of the PKP rail network, and by limiting cargo transports by whole trains (without dividing it on the way).

There is a lack of over 30,000 employees. The causes of this include early retirement of many experienced employees.

The transporting capacity of the railroad has decreased as a result of a shorter week.

Even during the first months of this year rail and truck transporting capacity was larger than required, when requests are considered. Furthermore, during the first half of this year a sudden decrease of truck transportation was noted as a result of a fuel shortage that caused more cargo to be diverted to railroad ramps and sidings, since trains offer cheaper transportation, compared with trucks. In this situation truck transportation enterprises left the system and took apart much of the equipment, especially the type that used more fuel.

As a result, already this May--while the industrial production, and especially mining, increased--PKP reached the upper limit of its transporting capacity. If we do not count inland water transportation which offers minimal services and has decreased even more because of low water level, PKP has been left alone, faced with growing transportation tasks without any possibility of help from the truck transportation system.

#### Decisions not Implemented

This July the Economic Committee of the Council of Ministers adopted a resolution that formally concerns improvements in coal transportation in



the second half of this year. Practically speaking, the resolution contains decisions that should help the railroad in the following years. However, some decisions proved unrealistic. For example, the governor of Piotrkov voivodship could not transfer the metal manufacturing plant "Komety" to PKP because he transferred it to the installation works enterprise in Lodz on the basis of...an earlier resolution of the Council of Ministers. It is also impossible to reopen a large coal storage yard in the Flblag area because it was removed as a result of land reclamation.

Also, other decisions of the resolution are either not implemented at all or only partially implemented. For example, the shipbuilding industry makes the return of a former car barn in Godkow to PKP contingent upon construction of a new facility. Railway rolling stock industry refuses to repair railroad-car carriages, and the repairs are made on only a part of the locomotives, units of electric trains and locomotive engines, ordered for repair. Coal mining industry repairs only one fourth of the cars consigned to it for overhaul.

Thus, the currently adopted resolution concerning improvements in transportation is not fully implemented--just like the eight previous resolutions.

The transportation department does not receive all the materials it should according to the government resolution and the department's operational plan. For example, since the beginning of this year, the Polish Automobile Transportation (PKS) received only about 60 percent of the storage batteries and tires and a little over 70 percent of the spare parts that it was supposed to receive during the first 3 quarters of this year. For PKP the allotments of work clothing and warm clothing, and work shoes that are necessary in the winter, have not been fully implemented. In addition, the allotments have been lowered.

Are There any Reserves?

The winter is coming and the employees of the transportation system will have to overcome bad weather in order to keep the trains running and vehicular traffic on the roads. The state of the whole economy will depend on their functioning, during winter even more so than now. Thus, the fulfillment of all the needs of the transportation department and of its work forces, in the areas of materials, spare parts, storage batteries, tires as well as of protective clothing and shoes is necessary, even at the expense of other areas of the economy.

The last reserves should be used up to this end, if necessary.

It is necessary to insure that all transportation posts are filled. This should be guaranteed using all available means. Filling every transportation post is one area which would bring quick results, not for free, of course.

It is also necessary to create loading crews in enterprises working in shifts 7 days a week. This cannot be accomplished with a directive--economic pressure is needed, i.e. stiff penalties for holding railroad cars and trucks too long. It should not be possible to include the penalty in the price of the goods.

And lastly, raising the efficiency of the transport--by only transporting loads needed at the time by the buyer. Every train, truck or barge should carry only the necessary cargo. And there should be no sentiment about it--cost-effectiveness must be a rule.

9959

CSO: 2600/69

## DELAYS IN FULFILLMENT OF HOUSING PLAN EXAMINED

Bucharest REVISTA ECONOMICA in Romanian No 40, 8 Oct 82 pp 6, 12

[Article by Dr I. Ciubotaru, Committee for Problems of the People's Councils: "How Is the Housing-Construction Plan Being Fulfilled?"; passages enclosed in slantlines printed in boldface]

[Text] Along with the headlong economic and social development of the country, the modernization of the technical-material base of society at a rapid rate and the organization of new and modern industrial platforms, special attention has been and is being devoted to housing construction. /In the 1951-1980 period, 4.6 million dwellings were built/ from the funds of the state and the population, with approximately two-thirds of the population of the entire country receiving new dwellings. In the 1976-1980 5-year period alone, for example, from the state's funds, from the population's funds with the state's aid in loans and execution or from the population's own funds (done under state supervision), over 840,000 dwellings were built and put in the use of the working people in cities and villages (table).

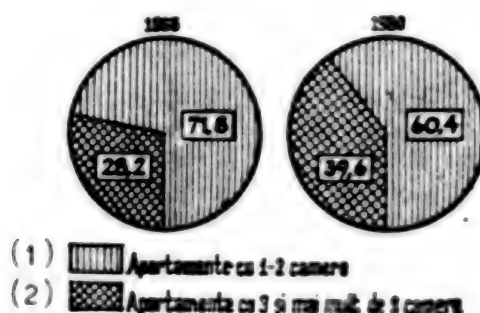
Table: The Evolution of the Number of Apartments Built from the Funds of the State and Loans for the Population in the 1951-1980 Period

<u>Period</u>	<u>Number of Apartments</u>	<u>%</u>
1951-1955	46,355	100
1956-1960	103,812	224
1961-1965	220,118	475
1966-1970	333,177	765
1971-1975	512,507	1,106
1976-1980	753,343	1,629

The achievement of the new housing construction led to year-by-year improvement in the conditions of habitability, so that at the end of 1980 there were, on the average, nearly 10 square meters of dwelling space per capita. Meanwhile, the equipment of the dwellings, their degree of comfort and their functionality were improved, there increasing at the same time the percentage of apartments with three or more rooms. While the percentage of apartments built with three or more rooms represented 28.2 percent in 1965, it was 39.6 percent in 1980 (graph).

The new dwellings were equipped with the necessary sanitary facilities, kitchens, bathrooms with greater space, central heating, pantries and storage rooms, and

balconies or loggias. The housing conditions were improved in the sense that the new dwellings were achieved in groups or districts in which schools, kindergartens, nurseries, commercial and service spaces, cultural units, health units and so on were built. The housing construction and the facilities achieved led gradually to the modernization of the cities, to the restructuring of the central zones, to the erection of new residential groups and, in certain cases, to the creation of new urban settlements.



Graph: The Percentage of Apartments Put in Use According to the Number of Rooms (in Percent)

Key: 1. Apartments with one-two rooms 2. Apartments with three or more rooms

#### Thorough Preparation for the Work

In the current 5-year period, housing construction is continuing to develop at a rapid rate. Last year, for example, over 164,000 dwellings were put in operation from the state's funds and the population's funds. /In the first 9 months of 1982, 103,000 apartments were put in use/ from the state's funds and from the population's funds with the state's aid in loans and execution.

1. These achievements are due to the application of a broad program of measures that involved, first of all, /suitable preparation of the conditions for execution as far back as in 1981/. Thus, the location of each block of dwellings was finalized in advance, the working designs were drawn up and the locations were given free of any encumbrance to the builder, there being created conditions for starting the work as early as the summer of last year for over 40 percent of the dwellings stipulated in the 1982 plan.

2. Along with this, /the organization of the labor on the construction sites, especially the expansion of work/ under the overall contract system, permitted greater involvement of the construction workers in doing the work on time and with good quality. Thus, in the counties that overfulfilled the plan, the percentage of work under the overall contract system represented 80-90 percent, as is the case of the construction-assembly units of the people's councils in the counties of Neamt (90.9 percent), Cluj (89.2 percent), Botosani (86.7 percent), Vrancea (86.4 percent) and so on.

3. At the same time, the recruitment and training of the work force constituted another important factor in fulfilling the plan provisions. The concern for

/increasing the stability of the work force and selecting and training it/ permitted the counties of Constanta, Bacau, Neamt, Cluj, Arad, Alba, Vrancea and others to possess skilled artisans to a greater extent, which caused both the rate of work and the quality of it to be higher. Moreover, this concern caused some construction units in the counties of Arges, Bacau, Dolj, Neamt and Timis and the municipality of Bucharest to provide significant help in the achievement of investment objectives in other counties, such as Gorj and Calarasi.

4. The concern of the construction units in the counties that fulfilled the plan targets for /a good technical-material supply and for organization of their own production bases/ had a prominent role in maintaining a rapid rate of execution on the construction sites. In this regard, one should note the attention that is given in the construction units in the counties of Bacau, Cluj, Constanta, Neamt, Vrancea and others to contracting for construction materials at the level of the approved quotas, to pursuing the reception of them on the planned dates and in the necessary assortments, and to management in warehouses and on construction sites. This provided for the occurrence of the industrialized process of execution in a proper fashion and the use of prefabricated parts on the basis of standardization of constructions and construction materials.

#### Improvement of the Organization of the Activity

From the analysis of the stage of fulfillment of the construction plan in the first 8 months, it follows that there are still some counties with lags. Thus, 17 counties, including Arad, Brasov, Caras-Severin, Calarasi, Dimbovita, Giurgiu, Harghita, Ialomita, Satu Mare, Salaj, Suceava and Teleorman, did not manage to completely fulfill the housing plan.

In the case of these counties, the unsuitable organization of construction sites, the not always strict supervision and the poor discipline in work led directly to a drop in labor productivity and to significant shortfalls in relation to the plan targets. Thus, the unused time in the maximum available time supply of the worker personnel (the local construction-assembly units totaled 10,918,000 man-hours on the whole and 10.1 percent of the maximum available supply). Unexcused absences, leaves of absence and vacations without pay represented 34.1 percent of the unused time. An average index of use of the available time supply far below the national average was registered by 19 county construction-assembly units, including Ialomita (91.1 percent), Calarasi (90.5 percent), Alba (91.8 percent), Maramures, Satu Mare and Sibiu (92.3 percent) and Salaj (92.4 percent).

On the other hand, serious lags were also due to /the failure to provide the work force at the level of the need/, especially some categories of skilled workers, as bricklayers, carpenters and concrete ironworkers. This situation caused the construction units in a number of counties (Brasov, Calarasi, Ialomita, Giurgiu, and Mehedinti) to register results far below the possibilities that they possessed. In these things is also added the fact that /the use of the overall contract system did not include many work formations/, with negative influences on the labor productivity, the production cost and the stimulation of the builders. Thus, in the Arad, Bistrita-Nasaud, Caras-Severin, Covasna, Dimbovita, Giurgiu, Prahova, Satu Mare, Sibiu, Tulcea and Vaslui construction-assembly units, less than 70 percent of the workers in the total work force were included in the overall contract system.



/The unsuitable achievement of the technical-material supply for the construction sites/ also goes among the causes that have generated and are still generating difficulties in fulfilling the housing-construction plan. The lack of concrete iron with small diameters, autoclaved cell concrete for insulation of big panels, ceramic blocks and bricks, big panels of reinforced concrete, pipe for construction and installation, fittings, and some quantities of "prenader", "aracet", PVC [polyvinyl chloride] mats, bitumen for hydroinsulation and so on, for which there are contracts with the suppliers, is being felt, due to the fact that /the producing units and ministries have not delivered the respective products at the level of the targets, allotments and contracts/. To these things is also added the fact that the characteristics of prefabricated parts or construction materials, such as big prefabricated panels of reinforced concrete, doors, windows and tar paper, that are received from the producing units of the Ministry of the Industrialization of Wood and Construction Materials, pipe for construction and installation from the units of the Ministry of the Metallurgical Industry or adhesives from the units of the Ministry of the Chemical Industry differ from those actually necessary in the construction process.

All these things have led to the curtailment of the plan fulfillment and the programs for housing construction and, at the same time, have also influenced unfavorably the economic and financial results of some construction-assembly units.

In order to make up the lags and reach the stipulated targets by the end of the year, technical and organizational steps for eliminating the shortcomings, better organizing the technical-material supply, using the equipment and installations at full capacity, increasing the quality of the work and so on have been taken on a central level, at the level of the executive committees of the county people's councils and in each construction-assembly unit. Among them, the following stand out in terms of importance:

/The improvement of the activity of design and execution of the work of housing construction/. To this end, the workers, the technicians and the specialists in design and construction must concern themselves more with the problems regarding the urban-architectural quality and functionality of each group or district of dwellings, of each particular construction. The technical means and the work force must be even better utilized to a greater extent in order to provide a scientific conception of systematization of each particular locality;

/The providing of the development of housing construction in each locality/. To this end, there must be greater attention on correlating the capacity for execution in some counties (such as Calarasi, Giurgiu, Gorj, Mehedinti and Hunedoara) with the real tasks that they have to fulfill. We stress, in particular, the necessity of organizing work formations for the small cities and in communes, which, due to the specific character of the dwellings that are built, would use local materials to a greater extent and would achieve dwellings with a low height limit and few apartments, heated with stoves;

/The training and stabilization of the skilled work force/, a matter of extreme importance in ensuring the execution of the entire volume of construction-assembly and of finishing under conditions of quality, at the level of the technical standards and the population's requirements. To this end, the construction-assembly units, with the help of the executive committees of the people's councils, have established programs of long-term measures concerning recruitment of the work force and training

through specialized vocational schools, the aim being to meet the need for skilled workers according to trades in relation to the necessities of each unit. In addition, it is also intended that multifaceted training be provided to the workers through schooling in order for them to be utilized in several trades;

For /further raising the quality of the housing-construction work/, it is mandatory that, through the technical personnel, the quality commissions, the construction-site chiefs and the foremen, the observance of the technological standards and the quality of the work be pursued more consistently, according to phases of work, so that, on completion of each particular facility, only work of good quality is accepted. In this regard, it is necessary to eliminate the practice of provisionally accepting the constructions, with the obligation that corrections be made later.

12105

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## NEW LAW TO OFFER GREATER PROTECTION FOR CROPS

Bucharest REVISTA ECONOMICA in Romanian No 40, 8 Oct 82 p 9

[Article by Dr Ion Popescu, Ministry of Agriculture and the Food Industry: "Measures of Extreme Importance for Growth in Vegetable Production"]

[Text] In the process of intensification of vegetable agricultural production, based on the introduction of the newest methods and means of cultivation into practice, the measures for the protection of plants from pathogenic agents, pests and weeds have a greater and greater economic importance, since the effects of introducing the most productive varieties, of applying bigger doses of fertilizer, of irrigation, of mechanization and so on--which constitute basic measures for increasing the yield per hectare--are often limited and, in certain cases, negated as a result of strong attacks of diseases and pests or infestation of crops by weeds.

At present, it is estimated that about 2.4 billion inhabitants of earth are insufficiently or unsuitably nourished, with a large number of them being exposed to the ravages of starvation. And at the same time, the harvest losses caused in world agriculture by diseases, pests and weeds come to about 35 percent of the potential yield (which, expressed in terms of value, represents about \$75.6 billion per year). The dimensions of these annual losses for the main crops are given in the table.

Here in our country too, despite the progress achieved in the field of plant protection, the losses produced by the above-mentioned causes are still quite high. It should be borne in mind that over 235 species of pathogenic agents, 210 species of pests and over 200 species of weeds, which decimate the harvests, have been noted in our agricultural crops.

A few examples are revealing in this regard. If we refer only to the barley crop, it can be noted that in 1980-1981 the losses resulting from just a single pathogenic agent--which produces loose smut--on certain areas in some counties (Ialomita, Ilfov, Iulj and Buzau) have been estimated at 35-45 percent of the potential harvest. Significant losses from attacks of diseases and pests are also noted for the corn crop. From the existing data on the appearance and evolution of the attack of loose smut, it follows that, for this reason, in 1976 and 1979, on some land in the counties of Iasi, Ilfov and Ialomita, the corn harvest was 45-50 percent below the potential harvest. In 1981-1982, on some land in the counties of Arad, Bihor, Caras-Severin, Timis and Satu Mare, a new disease was noted in the sunflower crop: /spotting and necrosis of the stems/ [in boldface]. In the afforested crops, this disease (produced by a fungus in association with other pathogenic agents) caused losses that, here and there, exceeded 50 percent of the potential yield.

Table: Harvest Losses--on a World Level--Caused in Various Agricultural Crops by Pests, Diseases and Weeds\*

Crop	Yield (Millions of Tons)		Losses (%) Caused by:			Total Losses (% of Possible Harvest)
	Achieved	Potential**	Pests	Diseases	Weeds	
Wheat	265.5	351.1	5.0	9.1	9.8	23.9
Oats	42.9	59.2	8.0	9.3	9.8	27.1
Barley	92.8	117.4	3.8	7.8	8.6	20.2
Rye	32.6	38.5	3.2	5.2	9.3	14.7
Rice	231.9	438.8	26.7	8.9	10.8	46.4
Millet	76.7	122.9	9.6	10.7	17.0	38.0
Corn	218.5	339.4	12.4	9.4	13.0	34.8
Potatoes	270.8	339.9	6.5	21.6	4.0	32.3
Sugar beets	211.2	280.2	8.3	10.4	5.8	24.5
Sugarcane	483.4	1,050.2	20.1	19.2	15.7	65.0
Greens	201.7	279.9	8.7	10.1	8.9	27.7
Fruit	66.6	88.0	7.8	12.6	3.0	23.4
Citrus	24.39	30.94	8.3	9.5	3.8	21.6
Grapevines	50.7	78.27	3.2	23.4	10.1	36.7
Coffee	3.16	5.72	12.8	16.6	15.0	44.4
Cocon	1.53	2.82	13.2	20.8	11.9	45.9
Tea	1.12	1.65	7.9	15.4	8.9	32.2
Tobacco	4.27	6.22	10.4	12.3	8.1	30.8
Hops	0.093	0.119	7.7	8.0	5.9	21.6
Olives	5.18	8.14	19.1	8.7	10.0	37.1
Palms	1.07	1.49	11.6	7.4	9.6	28.6
Soybeans	31.98	45.05	4.5	11.0	13.5	29.1
Peanuts	16.68	28.03	17.1	11.5	11.8	40.4
Seed cotton	20.58	27.15	11.0	9.1	4.5	24.6
Flaxseed	3.398	4.219	3.7	7.8	8.7	20.2
Rape	4.48	6.52	13.0	6.9	11.3	31.2
Sesame	1.650	2.231	13.6	2.7	10.1	26.3
Sunflowers	6.34	8.24	10.0	3.0	10.0	23.0
Copra	3.32	5.902	14.7	19.3	10.0	44.0
Cotton fiber	11.06	16.75	16.1	12.0	5.8	33.9
Other fibers	4.91	6.386	4.9	8.0	11.1	24.0
Natural rubber	2.26	3.013	5.0	15.0	5.0	25.0

\* The conclusions that are drawn from the table, and the order of size of the values given, remain valid, although it was drawn up in 1966.

\*\*The potential yield represents the quantity of products that could be obtained if the intervention of pests, diseases and weeds is excluded.

All these things demonstrate fully /the necessity of taking every step to prevent damage caused to agricultural crops/ [in boldface] by various pathogenic agents, pests and weeds. In view of this necessity, the complexity of the plant-protection actions and the degree of training required for carrying them out, /the draft of the Law on the Protection of Cultivated Plants and of Forests and the System of Pesticides/ [in boldface] has been drawn up and published, for public discussion before its submission to the Grand National Assembly for adoption.

As is judged in this document, the protection of cultivated plants and forests from pests, diseases and weeds constitutes "a problem of national interest, an obligation

for the state bodies, the cooperative organizations and the other public organizations, for all citizens." The draft law stresses the duty that devolves upon the specialized bodies and all workers in the plant-protection field to promote and generalize the integrated system of prevention and control of diseases, pests and weeds, which consists of combining chemical means with biological ones, of using physical and mechanical methods and of applying the complex of agrophytotechnical measures.

Special varieties that entail the improvement of the technologies for production and utilization of biological preparations, the reduction of the number of chemical treatments, the utilization of pesticides with greater efficiency and lower consumptions of raw materials and energy and the expansion of the application of pesticides along with other agrotechnical work--sowing, administration of chemical fertilizer, irrigation and so on--are being provided in order to raise the economic efficiency of the actions for the protection of cultivated plants and forests.

With regard to the system of pesticides, considering their use a "necessary evil" without which modern agriculture cannot be imagined, the draft law stipulates that only the pesticides authorized by the bodies can be produced, delivered, marketed and used only under the conditions provided by law.

In view of the high toxicity of some pesticides for man and warmblooded animals, in order to avoid any risk of accident, poisoning or illness, the obligation of the pesticide-producing units to deliver these products in standardized packages is stipulated.

Special attention is devoted to the protection of the environment, the preservation of the quality of the soil, the providing of suitable quality in agricultural and food products and the prevention of poisoning or illness. The agricultural and silvicultural units and all other possessors of land and crops are obligated to respect strictly the technical standards on the handling, transportation, storage and use of pesticides.

Knowledge, understanding and assimilation of the provisions of the draft law and the technical standards on the protection of cultivated plants and forests by all technical personnel in the sectors involved and by all those who participate in the actions in this field or in the activities connected with the production, handling, transportation, storage and, in particular, use of pesticides will contribute to the growth of the vegetable production per hectare, under the conditions of obtaining products with high biological qualities.

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NEW REGULATIONS TO IMPROVE DETERGENT PRODUCTION, MARKETING

Bucharest INFORMATIA BUCURESTIULUI in Romanian 22 Nov 82 p 6

[Article: "Measures to Increase the Production and Improve the Supplying of the Population with Soaps and Detergents"]

[Text] Analyzing the method of supplying the population with toilet soap, laundry soap and detergents, the Council of Ministers has set measures for improving the activity of producing and selling these products in order to provide the people, by means of the state trade units, with the necessary quantities and varieties of soaps and detergents.

In these measures, the Council of Ministers has made it obligatory for all production enterprises to turn out products in accordance with the tasks of the plan and to ensure their regular delivery.

Also, in light of the fact that the present prices do not cover production costs and the production units are suffering losses, proposals have been drawn up for new prices which will ensure that production costs will be covered, thus avoiding the present situation where the respective enterprises have no incentive to produce these consumer goods.

Updating and improving the correlation, on economic principles, of production and delivery prices for soaps and detergents will give the production enterprises the incentive to turn out good quality products and to use raw materials and other materials in the best possible manner.

On the basis of the proposals made, the Council of State has issued a decree on measures for increasing the production of soaps and detergents and improving the process of supplying them to the population.

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